



**HVPL**  
**HINDUSTHAN VIDYUT PRODUCTS LIMITED**

**DIRECTORS**

Shri R.P. Mody, Chairman  
Shri V.A. Mody  
Shri O.P. Shroff  
Shri Suman J. Khaitan  
Shri Rajesh Pati Tripathi  
Shri Subhash Madan

**MANAGING DIRECTOR**

Shri S.S. Bhuwania

**VICE PRESIDENT-FINANCE & SECRETARY**

Shri M.L. Birniwala

**AUDITORS**

M/s. Singhi & Co.

**BANKERS**

Canara Bank  
State Bank of India

**REGISTERED OFFICE**

'Kanchenjunga' (7th Floor)  
18, Barakhamba Road,  
New Delhi -110001.

**WORKS**

Faridabad	(Haryana)
Gwalior	(Madhya Pradesh)
Mandideep	(Madhya Pradesh)
Guwahati	(Assam)

**LISTING OF EQUITY SHARES**

(Listing fee paid)  
The Delhi Stock Exchange Association Limited  
3/1, Asaf Ali Road,  
New Delhi-110002.

**REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-153/A, 1st Floor,  
Okhla Industrial Area, Phase-1,  
New Delhi - 110020.

---

## CONTENTS

---

	Page No.
1. Directors' Report	3
2. Standalone Financial Statement	
a. Auditors Report	14
b. Balance Sheet	18
c. Profit & Loss Account	19
d. Cash Flow Statement	20
e. Notes to Financial Statement	21
3. Consolidated Financial Statement	
a. Auditors Report	40
b. Balance Sheet	42
c. Profit & Loss Account	43
d. Cash Flow Statement	44
e. Notes to Financial Statement	45
4. Notice	61

---

## DIRECTORS' REPORT

---

To  
The Shareholders,

Your Directors present their fifty-third Annual Report and Audited Accounts of the Company for the year ended 31st March, 2013.

The operating results of the Company for the year are as follows:

	2012-2013	2011-2012
		(₹ '000)
The profit for the year after meeting all expenses but before providing for Gratuity, Depreciation, Taxation and extra-ordinary income is	363,932	1,627
From which have to be deducted :		
Gratuity according to statutory requirement	7,166	4,079
Depreciation for the current year	127,172	120,256
Provision for Taxation	2,819	(47,824)
Provision for Dividend	2,886	1,443
Tax on Dividend	468	234
Leaving a balance of	223,421	(76,561)
To which have to be added:		
The balance brought forward from the previous year	-	9,575
Making a total of	223,421	(66,986)
Out of which transferred from/(to) to General Reserve	(221,686)	66,986
Leaving a balance to be carried forward from to next year's account	1,735	-

02. During the year under review, the total revenue income of the Company has increased by 41.38% at ₹ 708.85 crores as compared to ₹ 501.37 crores in 2011-2012. The profit before depreciation has improved from a loss of ₹ 24.52 Lakhs in 2011-2012 to a profit of ₹ 3568.00 Lakhs mainly because of increased production and turnover in Cables and Conductors division.

03. Your Directors take pleasure in recommending a payment of dividend for the year ended 31st March, 2013 on Equity Shares @ 20% (₹ 2/- per share) amounting to ₹ 28,85,770/-, out of current year's profit.

04. Hindusthan Alkalies Limited had become the subsidiary of your Company with effect from 02.04.2012. In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary company are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary company is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of

---

## DIRECTORS' REPORT (Contd.)

---

the subsidiary company will also be kept open for inspection at the Registered Office of the Company and that of the subsidiary Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company.

05. The Company has purchased land in Khurda in the state of Odisha to set up a manufacturing facility of Cables & Conductors.
06. The margin of the Insulators division remains under pressure due to competition coupled with rise in input costs especially of fuel and metal part components. Adequate steps are being taken to improve the working of the division.
07. The availability of raw material remained comfortable. The prices of aluminum, steel and XLPE compound declined during the year in domestic as well as international market. The availability of power improved except at Mandideep Works. The Company has been able to keep the factories running with the help of captive power generating capacity.
08. During the year, the Company has successfully executed export orders worth Rs.69.85 crores approximately as compared to ₹ 32.01 crores during 2011-2012. We are continuously striving to increase our export order book and add more markets.
09. During the year, the company has successfully registered for Carbon Credit under Clean Development Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC) for four Wind Turbine Generators (WTGs) of 1.5 MW each installed at Jodhpur and Jaisalmer, Rajasthan.
10. The order book position of the Company is comfortable except in the Insulators division. Efforts are being made to secure more orders by participating in larger number of tenders.
11. Pursuant to Clause 49 of the Listing Agreement with Delhi Stock Exchange, a separate section titled 'Corporate Governance' is attached to this Annual Report.
12. Your directors would like to confirm that:
  - (i) In preparation of the annual accounts, the applicable accounting standards have been followed.
  - (ii) The selected accounting policies have been applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
  - (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - (iv) The annual accounts have been prepared on a going concern basis.
13. Statement of the employees getting remuneration requiring disclosure under Section 217(2A) of the Companies Act, 1956 ("the Act") and Rules framed there under, is enclosed.
14. S/Shri R. P. Mody and Subhash Madan retire by rotation and being eligible offer themselves for reappointment.
15. The Auditors M/s Singhi & Co., Chartered Accountants, New Delhi, retire at the forthcoming Annual General Meeting of the Company. However they have not offered themselves for reappointment as auditors of the Company. The Board of Directors place on record their appreciation for useful services rendered by them as auditors of the Company during their tenure. The Company has received a notice from one of its members proposing the name of M/s K.M. Agarwal & Co., Chartered Accountants for their appointment as auditors of the Company. You are requested to consider their appointment and fix their remuneration for the current year. Notes referred to in the Auditors' report are self explanatory.

For and on behalf of the Board of Directors

Place : New Delhi  
Dated : 27th April, 2013

R.P. MODY  
Chairman

## DIRECTORS' REPORT (Contd.)

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

### I. CONSERVATION OF ENERGY

#### (a) Energy Conservation measures taken.

- (i) Concentrated Parabolic Solar Plant of 120 KW has been installed in Cables division for heating of water in place of diesel boiler.
- (ii) Variable frequency drive installed on 37 wire stranding Machine.
- (iii) Maximum demand controller installed.
- (iv) VFDs are installed in Kiln & Dryer.
- (v) Pyrobloc is being installed in Kilns.

#### (b) Additional Investments and proposals, if any, being implemented for reduction for consumption of energy.

No specific additional investment proposals being implemented.

#### (c) Total energy consumption and energy consumption per unit of production of energy consumption and consequent impact on the cost of production of goods.

₹ 3.62 lakhs saved during the year in power cost by above measures.

#### (d) Total Energy consumption and energy consumption per unit of production as per Form-A in respect of industries specified in the Schedule thereto.

Not applicable.

### II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to Rules.

#### 1. Research & Development (R&D)

- |   |              |
|---|--------------|
| (a) Specific areas in which R&D carried out by the Company. | Nil.         |
| (b) Benefit derived as a result of the above R&D.           | Nil.         |
| (c) Future Plan of action                                   | Nil.         |
| (d) Expenditure on R&D                                      |              |
| i) Capital  | } Negligible |
| ii) Recurring   |              |
| iii) Total  |              |
| iv) Total R&D expenditure as a percentage of total turnover |              |

#### 2. Technology absorption, adaptation and innovation.

- (a) Efforts, in brief, made towards technology absorption, adaptation and innovation. Nil.
- (b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. Nil.
- (c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year).

Technology imported	Year of Import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons thereof, and future plans of action.

Not applicable.

### III. FOREIGN EXCHANGE EARNING AND OUTGO

#### (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

The company has been able to export its products for ₹ 69.85 crores during the year despite tough competition. Steps are being taken to secure more business for supply of company's products to global markets. Efforts are also being made not only to retain existing customers but to increase the export by introducing new buyers.

#### (b) Total Foreign Exchange used and earned (₹ In Lacs)

Used : 3291  
Earned : 7429

INFORMATION UNDER SECTION 217 (2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) AMENDMENT RULES, 1999 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

Sl. No.	Name	Age (Yrs)	Qualification	Designation/ Nature of Duties	Remuneration (Rs.)	Date of Commencement of Employment	Experience (Yrs)	Particulars of last Employment
1.	Shri Vivek Kohli	57	B.E.(Elec.)	President (Strategic New Business & Projects)	26,82,358	29.10.2012	34	Chief Technology Officer & Head Operations, Sterlite Technologies Ltd. 4 Years

NOTE: Remuneration includes salary, leave encashment, gratuity, house rent allowance, conveyance allowance, Company's contribution to Provident fund, leave travel assistance, expenditure incurred on accommodation and medical and taxable value of perquisites.

None of the employee is a relative of any Director of the company.

For and on behalf of the Board of Directors

Place : New Delhi

Dated : 27th April, 2013

R.P. MODY  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

#### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance emerges from the application of best and sound business practices which ensure that the company operates within the regulatory framework. The adoption of such corporate practices ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large.

Clause 49 of the Listing Agreement with Delhi Stock Exchange incorporated certain disclosure requirements related to Corporate Governance, with the purpose of enhancing statutory compliances. In pursuance of this objective, we are pleased to report the following:

#### 1. BOARD OF DIRECTORS

- (i) The strength of the Board was seven as on 31st March, 2013. The Chairman, Shri R.P. Mody is a Non-Executive Director. Except Shri S.S. Bhuwania, Managing Director, all other Directors are Non-Executive Directors. Four Directors are independent i.e. Shri O.P. Shroff, Shri Suman J. Khaitan, Shri Rajesh Pati Tripathi and Shri Subhash Madan.
- (ii) The Board met five times during the period April, 2012 to March, 2013 i.e. on 20.04.2012, 26.05.2012, 27.07.2012, 31.10.2012 and 25.01.2013 with a clearly defined agenda circulated in advance of each meeting.
- (iii) Attendance record of the participating Directors is as follows:

Sl. No.	Name of Director	Board Meeting		No. of other	
		Held	Attended	Directorship	Committee Membership
1	Sh. R.P. Mody	5	4	8	–
2	Sh. V.A. Mody	5	–	1	–
3	Sh. O.P. Shroff	5	4	2	–
4	Sh. Suman J. Khaitan	5	5	8	15
5	Sh. R.P. Tripathi	5	5	2	–
6	Sh. Subhash Madan	5	4	4	–
7	Sh. S.S. Bhuwania	5	5	1	–

Last Annual General Meeting held on 01.09.2012 was attended by S/Shri O.P. Shroff, Subhash Madan and S.S. Bhuwania.

- (iv) No pecuniary transactions have been entered into with any of the Non-Executive Directors of the Company, save and except the payment of sitting fees of ₹ 5,000/- per meeting for attending the meeting of the Board/Committee(s).
- (v) The company ensures compliance of various statutory requirements by all its business units.
- (vi) All the Statutory Registers that are required to be maintained, are properly maintained and continuously updated.

#### 2. AUDIT COMMITTEE

A qualified and independent Audit Committee has been set up having three Non-Executive Directors. The Audit Committee comprises of Shri O.P. Shroff as Chairman, Shri Rajesh Pati Tripathi and Shri Subhash Madan as members. Shri M.L. Birniwala is the Secretary of the Committee. Four meetings of the Committee have been held 26.05.2012, 21.07.2012, 31.10.2012 and 25.01.2013. The Audit Committee meetings are held at Registered Office of the Company and all the meetings are attended by Chairman and members except Shri Subhash Madan who had attended three meetings. Statutory Auditors, Cost Auditor and Chief Finance Officer of the Company are also invited to the meetings.

The Committee is overseeing the company's financial reports and disclosure of its financial information and reviewing the adequacy of internal audit function. It recommends the appointment of Auditors, fixation of Audit fee and also for payment for any other services. The Committee also reviews Annual Accounts of the company. The previous Annual General Meeting was held on 01.09.2012 and it was attended by Shri O.P. Shroff, Chairman and Shri Subhash Madan, member of the Audit Committee.

#### 3. REMUNERATION COMMITTEE

Remuneration Committee was constituted by the Board in October, 2002 comprising of three Non-Executive Directors namely S/Shri O.P. Shroff, Suman J. Khaitan and Rajesh Pati Tripathi. Two meetings of the Committee was held during the year on 20.04.2012 and 21.07.2012 and recommended the Board to revise the remuneration of Shri S.S. Bhuwania w.e.f. 1st April, 2012 subject to approval of Board of directors and company in general meeting. The Chairman of the Committee and members of the Committee were present in the meeting.

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

Details of Remuneration paid to the Managing Director is as under:

<u>Particulars</u>	<u>Amount (₹)</u>
Salary	18,00,000.00
Contribution to Provident Fund	2,16,000.00
Other Perquisites	29,37,000.00
<b>Total :</b>	<b>49,53,000.00</b>

#### 4. SHAREHOLDER'S GRIEVANCE COMMITTEE

The Committee consists of Shri Rajesh Pati Tripathi, Chairman and Shri S.S. Bhuwania, Managing Director. Shri M.L. Birmiwala, Vice President-Finance & Secretary is the Compliance officer. The company has not received any complaint from shareholders hence no meeting was held. No complaint is pending at the close of the year.

#### 5. SHARE TRANSFER COMMITTEE

The Committee consists of Managing Director and Vice President-Finance & Secretary of the Company and responsible for approving the transfer, transmission, consolidation of securities, issuance of duplicate certificates etc. Meeting of the Committee is held twice a month to consider and approve the transfer of shares held in physical form if there is such a request. The Board takes note of the transfer of shares approved by the committee in their next meeting. The company has no transfer/consolidation requests pending at the close of the year.

The committee met on three occasions during the period April, 2012 to March, 2013.

#### 6. GENERAL BODY MEETINGS

(i) The details of the last three Annual General Meetings are as under:

<u>Financial Year</u>	<u>Venue</u>	<u>Date</u>	<u>Time</u>	<u>Special Resolution Passed</u>
2009-2010	Premises of Hindusthan Vidyut Products Limited Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi.	17.07.2010	10.00 A.M.	Nil
2010-2011	- do -	05.08.2011	10.00 A.M.	Nil
2011-2012	- do -	01.09.2012	10.15 A.M.	Nil

(ii) **Postal Ballot:**

No special resolution was passed through Postal Ballot during the financial year 2012-13.

#### 7. DISCLOSURES

- (i) Material significant related party transactions which may have potential conflict with the interests of the Company at large:  
**None**; confirmation has been placed before the Audit Committee and the Board that all related party transactions during the year under reference were in the ordinary course of business and on arm's length basis.
- (ii) Details of non-compliances, penalties, strictures by Stock Exchanges/ SEBI/Statutory Authorities on any matter related to capital markets during the last three years:  
**None**
- (iii) Pecuniary relationships or transactions with Non-Executive Directors:  
**None**
- (iv) Material non-listed subsidiary companies as defined in Clause 49 of the Listing Agreement with Stock Exchanges:  
**None**
- (v) Except formation of the Remuneration Committee, the Company has not adopted any of the non-mandatory requirements including Whistle Blower policy, as required by the Listing Agreement with Stock Exchange.

---

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

---

### 8. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The company has adopted a Code of Conduct for its Directors and Senior Management personnel and the same has been posted on the company's website.

### 9. MEANS OF COMMUNICATION

The Company's quarterly results are approved and taken on record by the Board within the prescribed period and sent immediately to Delhi Stock Exchange. These results are normally published in newspapers i.e. Financial Express in English & Veer Arjun in Hindi. These results are also displayed on the website of the company i.e. [www.hindusthanvidyut.com](http://www.hindusthanvidyut.com)

### 10. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting : Friday 30th August, 2013  
Date and venue : Premises of Hindusthan Vidyut Products Limited  
Kanchenjunga, 7th Floor, 18, Barakhamba Road,  
New Delhi - 110001.
2. Financial Calendar (Tentative)  
Financial Reporting for Quarter ending June 30, 2013 : End July, 2013  
Financial Reporting for Quarter ending September 30, 2013 : End October, 2013  
Financial Reporting for Quarter ending December 31, 2013 : End January, 2014  
Financial Reporting for Quarter/ year ending  
31st March, 2014 (audited) : End May, 2014
3. Book Closure : 24th August, 2013 to 30th August, 2013
4. Dividend Payment date : On or before 28th September, 2013  
Mode of Payment : The members may avail the facility to receive the  
dividend for the year by way of ECS transfer/dividend  
warrants or as per the bank mandates.
5. Unclaimed/Unpaid Dividend :  
The dividend for the year 2004-2005 remaining unclaimed for a period of 7 years has been transferred to the Investor Education  
and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956 as per the  
dates given below:-  
Date of Payment of Dividend : 05/08/2005  
Date of transfer to Investor Education  
and Protection Fund : 09/08/2012  
The unclaimed dividend for the financial year 2005-2006 onwards shall be transferred to Investor Education and Protection Fund  
established and notified by the Central Government, after a period of seven years, from the relevant dates. Thus, on or before  
23/08/2013, Unclaimed Dividend for the financial year 2005-2006 will be transferred to the fund. Members who have not encashed  
their dividend warrants for the aforesaid year may approach the company for obtaining duplicate dividend warrants/revalidation of  
dividend warrants before this date.
6. Listing of equity shares : Delhi Stock Exchange. Listing fee upto the year  
2013-2014 have been paid to Stock Exchange.
7. Stock Code : 10942 with DSE.  
For dematerialisation - INE799B01017
8. Investor Service:  
The requests received by the company are attended to expeditiously, Members are requested to provide complete detail regarding  
their queries quoting folio number, number of shares etc.
9. Distribution of Shareholding as on March 31, 2013



## ANNEXURE TO DIRECTORS' REPORT (Contd.)

As on March 31, 2013, your company had 934 shareholders having the total equity shares. The following is the distribution:

No. of Shares held	No. of Shareholders	% of Shareholders	Aggregate Shares held	% of Shareholding
1 – 500	847	90.69	84248	5.84
501 – 1000	40	4.28	30400	2.11
1001 – 2000	17	1.82	23940	1.66
2001 – 3000	9	0.96	22080	1.53
3001 – 4000	1	0.11	3300	0.23
4001 – 5000	4	0.43	18500	1.28
5001 – 10000	1	0.11	6100	0.42
10001 & above	15	1.60	1254317	86.93
<b>Total</b>	<b>934</b>	<b>100</b>	<b>1442885</b>	<b>100</b>

10. The shareholding pattern as on March 31, 2013

Shares held by	No. of Shares	% of Shareholding
Banks and Financial Institutions	5600	0.39
Foreign holdings (NRIs)	690	0.05
Bodies Corporate	50477	3.50
Directors/Relatives of Directors	2620	0.18
General Public	306953	21.27
Group Companies	1076545	74.61

11. Dematerialisation of Shares:

Company has joined hands with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) to facilitate holding and trading of securities in electronic form. The dealing in company's equity shares is in demat form only. As on date 94.17% of equity capital of the company has been dematerialised.

12. Stock Market Data:

Since the shares of your Company are listed only on Delhi Stock Exchange which is closed since long for trading in shares, no stock market data are available.

13. Registrar & Transfer Agents:

M/s. Skyline Financial Services Pvt. Ltd, D-153/A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020.

14. Share Transfer System:

The Company has share transfer committee consisting of Shri S.S. Bhuwania, Managing Director and Shri M.L. Birmiwala, Vice President -Finance & Secretary of the Company. The share transfer committee meets twice a month to approve the transfer/transmission/transposition, issue of duplicate share certificates and consolidation of shares in physical form in case there is/are such request and duly transferred shares are generally despatched within the prescribed period under the Companies Act, 1956/ Guidelines of the Stock Exchange.

The Company's shares are being compulsorily traded in dematerialised form with effect from 26.03.2001. The company has appointed M/s. Skyline Financial Services Private Limited as Registrar & Share Transfer Agents (RTA) for transfer of shares in demat as well as physical form and to entertain requests for dematerialisation of shares from physical form.

15. Plant Locations

- : 12/1, Milestone, Delhi Mathura Road  
**Faridabad - 121 003 (Haryana)**
- : Industrial Area, P.O. Birla Nagar,  
**Gwalior - 474 004 (M.P)**
- : Insulators & Electricals Company  
1-8, New Industrial Area, P.B. No. 1,  
**Mandideep - 462 046 (M.P)**
- : Brahmaputra Industrial Park  
Village: Sila, Mouza Silasundari Gopa  
**Kamrup, Guwahati - 781021 (Assam)**

---

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

---

16. Address for Correspondence : Hindusthan Vidyut Products Limited  
Kanchenjunga, 7th Floor,  
18, Barakhamba Road,  
**New Delhi - 110 001.**

E-mail : hvplndl@hindusthanvidyut.com  
Website : www.hindusthanvidyut.com  
Phone No. : 23310001 (5 Lines)  
Fax No. : 011-23313707

17. Information about directors proposed to be appointed/reappointed:

Sl. No.	Name	Nature of Expertise	Particulars of Other Directorship
1.	Shri R.P. Mody	Shri R.P. Mody aged 76 years is a Graduate. He is Promoter of the Company and has been intimately associated with a wide range of industries under his management.	1. Hindusthan Consultancy & Services Ltd. 2. Hindusthan Engg. & Inds. Ltd. 3. Hindusthan M-I Swaco Ltd. 4. Hindusthan Vidyut Corpn. Ltd. 5. Intercontinental Trading & Investment Co. Ltd. 6. Orient Bonds & Stock Ltd. 7. Pradyumna Steels Ltd. 8. Mody Investment & Mfg. Co. Pvt. Ltd.
2.	Shri S. Madan	Shri S. Madan aged 71 years is a B.Tech (Hons.) in Electrical Engg. P.G. Diploma in Industrial Management and MBA having 44 years of vast experience in execution of multifarious Projects, Planning & Management in India and abroad.	1. Hindusthan Vidyut Corpn. Ltd. 2. Promain Ltd. 3. Paramount Enterprises Ltd. 4. Hindusthan Alkalies Ltd.

For and on behalf of the Board

Place : New Delhi  
Date : 27th April, 2013

R.P. MODY  
Chairman

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. Industry Structure and Developments**

India's electricity industry is the 5th largest in the world in terms of a generation capacity of over 146,000 MW. It is also the world 4th largest wind power generator, the 3rd largest T&D network, and a consumer base of over 150 million. The Government of India envisaged addition of 90000 M.W. generation capacities during 12th five year plan.

**2. Opportunities & Threats**

India's largest power producer National Thermal Power Corporation (NTPC) and inter-state transmission major Power Grid Corporation (PGCIL) will cumulatively bring in over ₹ 40,000 crores investments in 2013-2014. It is expected to increase opportunities for the products of your company. Cheaper imports of Insulators from China is a potential threat to Insulators division however, The Finance Ministry has imposed safeguard duty on imports of electrical Insulators from China.

**3. Segmentwise or Productwise Performance**

There has been significant increase in production and sales of Cables and Conductors while there has been marginal increase in production and sale of Insulators. Efforts are being made to improve the performance of Insulators division including installing LNG station in our plant and conversion of kilns into dual fuel use, LNG being one of the fuel. The project is completed for 3 kilns and it is under progress for 2 more kilns. The steps are also being taken to reduce the fuel cost by installing pyrobloc in Kilns.

**4. Future Outlook**

In view of capacity enhancement in power generation, transmission and distribution by the Government in 12th Plans, the demand for products of your company is likely to increase.

**5. Risk and Concerns**

Increasing imports from China, increase in cost of fuel and use of Polymer Insulators by major customers is major concern for Insulators division. Continuous efforts are being made to secure more and more export orders for Insulators to offset the declining domestic demand.

**6. Internal Control Systems and their adequacy**

The company is having adequate internal control systems and procedures commensurate with the size of the company. The company has appointed internal auditors instead of conducting internal audit departmentally which will ensure that the internal control systems are properly followed and no room is left for any fraud or embezzlement.

**7. Financial/Operational Performance**

The turnover has improved by about 41.38%, mainly due to Cables & Conductors division resulting in overall profit before depreciation of ₹ 35.68 crores. However, there is loss in Insulators division due to under utilization of capacity, increased competition and rise in cost of all inputs.

**8. Human Resources/Industrial Relations**

It is the company's belief that the Human Resource is the driving force towards progress and success of a Company. The company seeks to motivate and retain its professional by offering reasonable compensation and opportunity to grow in the organisation. The total permanent employees' strength of the company was 766 as on 31st March, 2013. The industrial relations in all Works remained cordial during the year.

---

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

---

This report to the Shareholders is in compliance with the Corporate Governance Standard incorporated in the Listing Agreement with the Stock Exchange and as such cannot be construed as holding out for any forecast, projection, expectation, invitation, offer, etc. within the meaning of applicable Securities' Laws and Regulations.

Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to Company's operations include domestic and international economic conditions affecting demand, supply and price conditions, changes in government regulations, tax regimes and other statutes.

For and on behalf of the Board

Place : New Delhi  
Date : 27th April, 2013

R.P. MODY  
*Chairman*

---

### **Auditors' Certificate on Compliance of Corporate Governance Under Corporate Governance Clause of the Listing Agreement(s).**

The Members of  
Hindusthan Vidyut Products Limited,

We have examined the compliance of conditions of Corporate Governance by M/s Hindusthan Vidyut Products Limited for the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us the representations made by the Directors and the management, we certify that the company has complied in all material respect with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SINGHI & CO.  
Chartered Accountants  
FRN No. 302049 E

Place : Delhi  
Dated: 27th April, 2013

B.L. CHORARIA  
PARTNER  
Membership No. 22973

---

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

---

### CEO/CFO CERTIFICATE

We hereby certify that –

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 and that to the best of our knowledge and belief;
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee;
  - (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

S.S. BHUWANIA  
MANAGING DIRECTOR/CEO

M.L. BIRMIWALA  
V.P-FINANCE & SECRETARY/CFO

Place : New Delhi

Dated: 27th April, 2013

---

#### **Declaration by the Managing Director on the Code of Conduct**

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, I, S.S. Bhuwania, Managing Director of Hindusthan Vidyut Products Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the year ended 31st March, 2013.

Place : New Delhi

Dated : 27th April, 2013

**S.S. Bhuwania**  
**Managing Director**

---

# INDEPENDENT AUDITORS' REPORT

---

## TO THE MEMBERS OF HINDUSTHAN VIDYUT PRODUCTS LIMITED

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Hindusthan Vidyut Products Limited, ("the company") which comprise of the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating to overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b. In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on the other legal and regulatory requirements

1. As required by the companies ( Auditor's Report) order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statements on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches/depots not visited by us. The report on the account of Guwahati Works audited by Branch auditors has been forwarded to us and has been appropriately dealt by us in preparing our report;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from other branches/depots not visited by us and the returns from the Guwahati Works audited by Branch Auditors.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956.

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

Place : New Delhi  
Dated : 27th April, 2013

B.L. CHORARIA  
PARTNER  
Membership No. 22973

---

## INDEPENDENT AUDITORS' REPORT (Contd.)

---

Annexure referred to in paragraph 3 of our report of even date

Re : Hindusthan Vidyut Products Limited

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. As informed to us, company has phased programme of physical verification of its fixed assets, which in our opinion is reasonable having regards to the size of the company and the nature of its fixed assets. Management has physically verified the fixed assets during the year and as informed to us, no material discrepancies were noticed as compared to books of accounts.
  - c. There was no substantial disposal of fixed assets during the year.
- (ii) a. As explained to us inventories (except stock lying with third parties and in-transit) were physically verified during the year by the management at reasonable intervals.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification, wherever done.
- (iii) a. According to the information and explanations given to us, during the year the Company has not taken / granted any loan secured or unsecured from or to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - b. Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount & interest thereon and overdue amount are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system.
- (v) a. According to the information and explanations provided by the management, we are of the opinion that there were no such transactions for which particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 of the Act.
  - b. Since there are no such transactions, the comments regarding terms and conditions, transactions for which particulars of contracts or arrangements referred to in Section 301 of the Act are not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and hence provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under with regard to the deposits accepted from the public are not applicable to the company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) a. According to the records of the Company, the Company is generally regular in depositing material undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities. There was no material undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable. *Except arrear of Entry tax (Sales Tax) amounting to ₹ 103019/- since paid.*
  - b. According to the records of the Company, there are no dues outstanding of sales tax, income tax, service tax, custom duty, wealth tax, excise duty and cess on account of any dispute, other than the following:

## INDEPENDENT AUDITORS' REPORT (Contd.)

Name of Statute	Nature of Dues	Period to which the amount pertain	Amount in ₹ (Net of deposits)	Forum where dispute is pending
Central Sales Tax Act, 1956 & Sales Tax Act of Various states	Purchase Tax	2003-04	7500000	Hon'ble Supreme Court
-----do-----	Sales Tax, Haryana	2004-05	1720197	Tribunal, Chandigarh
-----do-----	Sales Tax, U.P	1985-86	64307	Tribunal, Ghaziabad
-----do-----	Sales Tax, U.P	1995-96	488619	Hon'ble High Court, Allahabad
-----do-----	Sales Tax, U.P	2001-02	925200	Hon'ble High Court, Allahabad
-----do-----	Sales Tax, M.P	1998-99	5703610	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	1999-2000	6927530	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	2000-01	7038828	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	2001-02	493857	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	2002-03	688323	Asst. Commissioner Gwalior
-----do-----	Local Area Development Tax	2007-08	705697	Joint Excise and Taxation Commissioner (Appeal) Faridabad
-----do-----	-----do-----	2008-09	1846757	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana and another)
-----do-----	-----do-----	2009-10	2349019	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana and another)
-----do-----	-----do-----	2010-11	2068629	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana and another)
-----do-----	-----do-----	2011-12	1624819	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana and another)
-----do-----	-----do-----	2012-13	1022166	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana & another)
Municipal Corporation, Gwalior	Property Tax	1997-2010	1611687	Hon'ble High Court directed to Commissioner, Municipal Corporation to Reassess the case
Municipal Corporation, Faridabad	Development Charges at Faridabad Work Land		9285750	Hon'ble Civil Court,(Adjudication) Faridabad
Central Excise	No proper Endorsement on Bill of Entry.		35369030	Tribunal , New Delhi
Income Tax Department	Income Tax	2008-09	462534	Tribunal , Agra
-----do-----	Income Tax	2007-08	61871	Commissioner of Income Tax (Appeal)
-----do-----	Income Tax	2009-10	293308	Commissioner of Income Tax (Appeal)
-----do-----	Income Tax	2009-10	372906	Commissioner of Income Tax (Appeal)
-----do-----	Income Tax	2009-10	87260	Commissioner of Income Tax (Appeal)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash loss in the current year *but the company had incurred cash loss amounting to ₹24,52,541/- during immediately preceding financial year.*
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. We have been informed that the Company has not issued any debenture during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



---

## INDEPENDENT AUDITORS' REPORT (Contd.)

---

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other securities except that it has investments in shares / units and these are held in the name of the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees in favour of financial institution or bank for loans taken by others.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed during the year by the Company were, prima facie, applied by the Company for the purpose for which loans were obtained.
- (xvii) According to the information and explanation given to us, on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment by the company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company, noticed or reported during the year.

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

Place : New Delhi  
Dated: 27th April, 2013

B.L. CHORARIA  
PARTNER  
Membership No. 22973

## BALANCE SHEET as at 31st March, 2013

	Note No	As At March 31, 2013 (₹)	As At March 31, 2012 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
Share Capital	1	1,44,29,425	1,44,29,425
Reserves & Surplus	2	2,59,93,41,861	2,37,59,21,167
<b>(2) Non-Current Liabilities</b>			
Long-Term Borrowings	3	33,63,08,522	38,29,94,956
Deferred Tax Liabilities (Net)	4	19,59,53,000	19,32,73,000
Other Long Term Liabilities	5	5,30,55,405	12,59,22,345
Long Term Provisions	6	6,51,18,091	6,03,25,084
<b>(3) Current Liabilities</b>			
Short-Term Borrowings	7	71,27,36,841	47,26,69,188
Trade Payables	8	94,52,40,245	73,87,23,323
Other Current Liabilities	9	45,50,99,752	45,39,86,034
Short-Term Provisions	10	4,70,11,956	4,14,90,606
<b>Total</b>		<u>5,42,42,95,098</u>	<u>4,85,97,35,128</u>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<i>Fixed Assets</i>	11		
(i) Tangible Assets		1,68,96,44,610	1,50,35,61,521
(ii) Intangible Assets		7,44,156	4,16,248
(iii) Capital Work-in-Progress		10,91,33,024	16,85,11,691
Non-Current Investments	12	33,92,06,422	35,21,37,432
Long Term Loans and Advances	13	12,53,95,252	10,38,75,890
Other Non-Current Assets	14	4,60,21,716	3,29,22,721
<b>(2) Current assets</b>			
Inventories	15	1,00,65,50,558	76,77,33,472
Trade Receivables	16	1,76,71,99,771	1,46,75,00,138
Cash and Cash Equivalents	17	8,36,47,235	25,16,39,487
Short-Term Loans and Advances	18	25,39,52,715	20,58,23,887
Other Current Assets	19	27,99,639	56,12,641
<b>Total</b>		<u>5,42,42,95,098</u>	<u>4,85,97,35,128</u>

ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS 27 (A & B)

As per our report of even date  
For SINGHI & CO.  
Chartered Accountants

R.P. Mody

Director

B.L. CHORARIA  
Partner  
M. No. 22973  
New Delhi

M.L. Birmiwala  
V.P. Finance & Secy.

S.S. Bhuwania

Managing  
Director

Date : 27th day of April, 2013

## STATEMENT OF PROFIT & LOSS ACCOUNT for the year ended 31st March, 2013

	Note No	2012-2013 (₹)	2011-2012 (₹)
I. Revenue from Operations	20	6,38,93,12,313	4,55,72,20,649
II. Other Income	21	2,05,96,658	3,16,04,013
<b>III. Total Revenue (I + II)</b>		6,40,99,08,971	4,58,88,24,662
<b>IV. Expenses:</b>			
Cost of Materials Consumed	22	4,61,92,00,412	3,23,10,27,515
Changes in Inventories of Finished goods, Work-in-Progress and Scrap	23	(20,34,50,909)	(5,03,99,272)
Employee Benefit Expense	24	25,50,76,610	18,63,18,288
Finance Costs	25	23,84,82,981	21,45,89,491
Depreciation and Amortization Expense		12,71,72,502	12,02,55,836
Other Expenses	26	1,14,38,34,232	1,00,97,41,181
<b>Total Expenses</b>		6,18,03,15,828	4,71,15,33,039
V. Profit/(Loss) before exceptional and extraordinary items and tax (III- IV)		22,95,93,143	(12,27,08,377)
VI. Exceptional Items		-	-
VII. Profit/ (Loss) before extraordinary items and tax (V-VI)		22,95,93,143	(12,27,08,377)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax (VII- VIII)		22,95,93,143	(12,27,08,377)
X. Tax expense:- ( Refer Note No. 27 B (8))			
Current tax		1,38,535	2,34,693
Deferred tax		26,80,000	(4,80,59,000)
XI. Profit(Loss) for the period from continuing operations (IX-X)		22,67,74,608	(7,48,84,070)
XII. Earning per equity share:- (Refer Note No.27B(9))			
(1) Basic		157.17	(51.90)
(2) Diluted		157.17	(51.90)

### ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS 27 (A & B)

As per our report of even date  
For SINGHI & CO.  
Chartered Accountants

R.P. Mody

Director

B.L. CHORARIA  
Partner  
M. No. 22973  
New Delhi

M.L. Birmiwala  
V.P. Finance & Secy.

S.S. Bhuwania

Managing  
Director

Date : 27th day of April, 2013

## CASH FLOW STATEMENT FOR THE YEAR 2012-13

	31.03.2013 (₹)	31.03.2012 (₹)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	22,95,93,143	(12,27,08,377)
Adjustment for:		
Depreciation	12,71,72,502	12,02,55,836
Unrealised Foreign Exchange Loss/(Gain)	3,62,708	52,56,184
Finance Cost	23,84,82,981	21,45,89,491
Provision for Liquidated Damages	29,69,121	36,76,295
Rates and Taxes (Wealth Tax)	4,02,000	3,65,000
Interest Received	(1,01,74,296)	(2,13,34,976)
Dividend Received	(48,70,475)	(65,19,278)
Loss/(Profit) on Sale of Fixed Assets	2,31,465	(12,43,845)
Loss/(Profit) on Sale of Investment	(29,72,251)	5,22,217
<b>Operating Profit Before Working Capital Changes</b>	<u>58,11,96,898</u>	<u>19,28,58,547</u>
Add/Less: (Increase)/Decrease in Current Assets		
Trade Receivables	(31,22,16,514)	(44,86,83,520)
Loans & Advances	(4,47,24,259)	(5,34,15,750)
Inventories	(23,88,17,086)	(13,51,57,548)
Add/Less: Increase/(Decrease) in Current Liabilities		
Current Liabilities & Provisions	<u>11,12,88,739</u>	<u>62,57,18,904</u>
<b>Operating Profit After Working Capital Changes</b>	9,67,27,778	18,13,20,633
Direct Tax Paid (net of refund)	4,60,80,702	(48,15,835)
Rates & taxes (Wealth Tax Paid)	<u>3,64,800</u>	<u>3,61,000</u>
<b>Net Cash from Operating Activities</b>	<u>5,02,82,276</u>	<u>18,57,75,468</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(23,38,93,336)	(11,82,40,175)
Sale of Fixed Assets	12,91,066	26,45,094
Purchase of Investment	(74,50,17,212)	(32,39,76,368)
Sale of Investment	76,09,20,473	39,00,84,635
Interest Received	1,13,25,121	2,49,34,950
Dividend Received	48,70,475	65,19,278
Loan to Others - Given	-	(2,00,00,000)
Loan to Others - Received	-	<u>22,31,84,577</u>
<b>Net Cash from Investing Activities</b>	<u>(20,05,03,413)</u>	<u>18,51,51,991</u>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Proceeds From Short Term Borrowings	27,22,40,843	23,68,91,070
Proceeds From Long Term Borrowings	12,95,00,000	-
Payment of Short term Borrowings	(3,21,73,190)	(20,00,00,000)
Payment of Long term Borrowings	(14,22,30,056)	(18,81,84,872)
Finance Cost	(24,33,89,850)	(20,71,41,259)
Dividend Paid	<u>(17,18,862)</u>	<u>(33,09,460)</u>
<b>Net Cash from Financing Activities</b>	<u>(1,77,71,115)</u>	<u>(36,17,44,521)</u>
<b>Net Increase/ (Decrease) in cash &amp; cash Equivalent</b>	(16,79,92,252)	(91,82,938)
<b>Cash &amp; cash Equivalent at Beginning of the Year</b>	<u>25,16,39,487</u>	<u>24,24,56,549</u>
<b>Cash &amp; cash Equivalent at End of the Year</b>	<u>8,36,47,235</u>	<u>25,16,39,487</u>

Notes: (i) Cash & Cash Equivalents include ₹ 4,01,448/- (Previous Year ₹ 4,43,353/-) of Unpaid Dividend not available for use by the Company and ₹ 6,93,25,420/- (Previous Year ₹ 4,03,10,097/-) is related to Fixed Deposit Receipts having maturity more than 3 months.  
(ii) Previous year figures have been re-grouped/re-arranged wherever considered necessary.

As per our report of even date  
For SINGHI & CO.  
Chartered Accountants  
B. L. CHORARIA  
M. No. 22973  
Partner  
New Delhi  
Date : 27th day of April, 2013

M.L. Birmiwala  
V.P. Finance & Secy.

R.P. Mody  
S.S. Bhuwania

Director  
Managing  
Director

## Notes to Financial Statements for the year ended 31st March, 2013

### I. Equity and Liabilities

(1) Shareholder's Funds	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>Share Capital :- NOTE NO - 1</b>		
<b>(a) AUTHORISED</b>		
25,00,000 Equity Shares of ₹ 10/- each	2,50,00,000	2,50,00,000
<b>(b) ISSUED</b>		
14,43,000 Equity Shares of ₹ 10/- each	1,44,30,000	1,44,30,000
<b>(c) SUBSCRIBED AND FULLY PAID UP</b>		
14,42,885 Equity Shares of ₹ 10/- each	1,44,28,850	1,44,28,850
<b>ADD :- FORFEITED SHARES (AMOUNT ORIGINALLY PAID UP)</b>	<u>575</u>	<u>575</u>
115 Equity Shares of ₹ 10/-each.	<u>1,44,29,425</u>	<u>1,44,29,425</u>
<b>(d) RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING</b>		
	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
Opening Balance	14,42,885	14,42,885
Add:- Addition during the Year	-	-
Less:- Deletion during the Year	-	-
Closing Balance	14,42,885	14,42,885
<b>(e) SHAREHOLDERS HOLDING MORE THEN 5%</b>		
	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>NAME OF SHAREHOLDER</b>	<b>No. of Shares</b>	<b>% of Shareholding</b>
M/s Hindusthan Consultancy & Services Ltd.	708825	49.12%
M/s Carbo Industrial Holdings Ltd.	132820	9.21%
M/s Promain Ltd.	117900	8.17%
	<b>No. of Shares</b>	<b>% of Shareholding</b>
	708825	49.12%
	132820	9.21%
	137900	9.56%

### Reserves and Surplus:- NOTE NO - 2

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
(a) Capital Redemption Reserve	26,43,500	26,43,500
(b) Revaluation Reserve	1,30,29,456	1,37,65,045
Less:- Transferred to General Reserve	5,65,925	7,35,589
	<u>1,24,63,531</u>	<u>1,30,29,456</u>
(c) General Reserve	2,36,02,48,211	2,42,65,00,000
Add/(Less):- Transferred from /		
(To) Profit and Loss A/c	22,16,85,864	(6,69,85,262)
Transferred from Revaluation Reserve	5,65,925	7,33,473
	<u>2,58,25,00,000</u>	<u>2,36,02,48,211</u>
(d) Profit & Loss Account	-	95,75,765
Add:- Profit / (Loss) for the year	22,67,74,608	(7,48,84,070)
Transfer from General Reserve	-	6,69,85,262
Less:- Appropriations		
Transferred to General Reserve	22,16,85,864	-
Proposed Dividend on Equity	28,85,770	14,42,885
Tax on Dividend	4,68,144	2,34,072
	<u>17,34,830</u>	<u>-</u>
	<u>2,59,93,41,861</u>	<u>2,37,59,21,167</u>

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	As At 31.03.2013 (₹)		As At 31.03.2012 (₹)	
<b>(2) Non Current Liabilities</b>				
<b>Long Term Borrowings :- NOTE NO - 3</b>				
(I) Term Loan (Secured)				
12.25% Term Loan from a Bank (Rupee Loan)*	1,67,76,500		20,26,12,500	
Less:- Current Maturities	<u>1,67,76,500</u>	-	<u>2,91,36,000</u>	17,34,76,500
6.5025% Term Loan from a Bank ** (FCLR)*	26,81,47,661			
Less:- Current Maturities	<u>2,85,59,500</u>	23,95,88,161		
13.75% Term Loan from a Bank**	20,19,20,361		29,88,14,417	
Less:- Current Maturities	<u>10,52,00,000</u>	9,67,20,361	<u>9,69,00,000</u>	20,19,14,417
(II) Deferred Payment Liabilities (Unsecured)				
Sales Tax Deferment #	76,04,039		1,53,44,130	
Less:- Current Maturities	<u>76,04,039</u>	-	<u>77,40,091</u>	76,04,039
		<u>33,63,08,522</u>		<u>38,29,94,956</u>

\* 12.25% Term Loans from Canara Bank, New Delhi of ₹ 12,39,00,000/- & ₹ 11,95,92,500/- is repayable in 108 & 96 monthly instalments starting from 01.08.2010 and 01.02.2011 respectively. The loan is secured by first charge on Assets created out of 4 nos. Wind Turbine Generator (WTGs) at Rajasthan and land at WTG site and Term Loan for ₹ 12,95,00,000/- taken for Guwahati Project is repayable in 16 half yearly instalments starting from 01.08.2012. The loan is secured by first charge on Land, Building and Plant and Machinery created out of the loan. During the year, the above mentioned 2 WTGs Term Loan @ ₹ 8,00,00,000/- for each WTG and ₹ 11,00,00,000/- related to Guwahati works were converted into Foreign Currency Loan of US(\$ 14,53,884.60 (\$ 14,53,884.60 and (\$ 19,99,091.32 at a pricing of 6 months LIBOR plus 600 bps (Net 6.5025%) with rollover at every 6 month and reset at fresh pricing.

\*\* 13.75% Term Loans from Canara Bank, New Delhi of ₹ 29,00,00,000/- and ₹ 28,30,00,000/- is repayable in 20 & 24 Quarterly instalments starting from 01.12.2009 and 28.02.2011 respectively. The loan is secured by first charge on fixed Assets financed out of the term loan including existing land of the unit.

# Unsecured loan represent the sales tax deferment scheme and will be matured on 31.03.2014

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>Deferred Tax Liabilities (Net):- NOTE NO - 4</b>		
Deferred tax Liabilities	25,55,40,000	25,35,65,000
Less:- Deferred tax Assets	<u>5,95,87,000</u>	<u>6,02,92,000</u>
	<u>19,59,53,000</u>	<u>19,32,73,000</u>
<b>Other Long Term Liabilities :- NOTE NO - 5</b>		
Other- From Customers	5,30,55,405	12,59,22,345
	<u>5,30,55,405</u>	<u>12,59,22,345</u>
<b>Long Term Provisions :- NOTE NO - 6</b>		
(I) Employee Benefits	5,29,85,080	4,89,96,879
(II) (a) Statutory - Local Area Development Tax	96,16,891	88,12,085
(b) Others	25,16,120	25,16,120
	<u>6,51,18,091</u>	<u>6,03,25,084</u>

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>(3) Current Liabilities</b>		
<b>Short-term borrowings :- NOTE NO - 7</b>		
(I) Working Capital Facilities - Secured*		
Foreign Currency loan		
FCNR Loan	31,73,22,756	27,37,34,508
(Interest Rate Range 5.00% - 5.50%)		
PCFC Loan	77,99,122	1,86,96,535
(Interest Rate Range 2.40% - 2.75%)		
Rupee loan		
9.75 % Export Packing Credit	84,09,158	1,94,17,738
15.70% Cash Credit		
(II) Loan & Advances - From Related Parties -Unsecured	6,19,64,962	11,58,20,407
- Hindusthan Engineering & Industries Ltd.	31,72,40,843	4,50,00,000
	<u>71,27,36,841</u>	<u>47,26,69,188</u>

\* Working Capital Facilities from a Bank for the Cable & Conductor Division are Secured against hypothecation of stocks, book debts and plant & machinery both present & future at Faridabad, Gwalior and Guwahati Unit and equitable mortgage of land and building at Faridabad and Gwalior Unit.

\* Working capital facilities from State Bank of India, Bhopal Branch for the Insulator division are secured against hypothecation of stocks and book debts and secured collaterally by way of second charge on fixed assets of insulators division against which drawing is ₹ 39,54,95,998/- (previous year ₹ 42,76,69,188/-) including drawing against foreign currency Non Resident Demand Loan (FCNR-DL). The FCNR-DL is due for renewal in the month of April 2013 and February 2014.

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>Trade Payables :- NOTE NO - 8</b>		
For Goods & Services - Micro & Small Enterprises (Refer Note No.27B(3B))	1,98,16,929	58,03,723
- Others (Refer Note No. 27B(3A))	92,54,23,316	73,29,19,600
	<u>94,52,40,245</u>	<u>73,87,23,323</u>

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>Other Current Liabilities:- NOTE NO - 9</b>		
(I) Current Maturities of Long term Debt		
12.25% Term Loan from a Bank (Rupee Loan)	1,67,76,500	2,91,36,000
6.5025% Term Loan from a Bank (FCLR)	2,85,59,500	-
13.75% Term Loan from a Bank	10,52,00,000	9,69,00,000
Unsecured Loan (Sales Tax Deferment)	76,04,039	77,40,091
(II) Interest accrued but not due on borrowings	25,41,363	74,48,232
(III) Unclaimed dividend	4,01,448	4,43,353
(IV) Other Payables		
(I) Creditors For Capital Goods	1,79,88,563	2,18,72,611
(II) Advance From Customers	21,10,96,091	25,48,19,741
(III) Statutory		
Income Tax (TDS)	56,77,221	27,10,537
Excise Tax	4,80,29,774	2,48,01,070
Sales Tax	9,54,674	10,40,723
Others	37,25,501	13,19,715
(IV) Other Deposits : Trade/Service deposits	65,45,078	57,53,961
	<u>45,50,99,752</u>	<u>45,39,86,034</u>
<b>Short Term Provisions:- NOTE NO - 10</b>		
(I) Employee Benefits	3,85,34,432	3,61,37,354
(II) Others		
Liquidated Damages	51,23,610	36,76,295
Proposed Dividend	28,85,770	14,42,885
Tax on Dividend	4,68,144	2,34,072
	<u>4,70,11,956</u>	<u>4,14,90,606</u>

Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

II. ASSETS Fixed Assets:- NOTE NO - 11 Non-current assets		GROSS BLOCK							DEPRECIATION					NET BLOCK
		Description	Cost/Value as per last Balance Sheet as at 31st March, 2012 (₹)	Additions during the year (₹)	Deduct Cost/ Value of Assets sold during the year (₹)	Other adjustments during the year (₹)	Total Cost/Value to 31st March, 2013 (₹)	Depreciation to 31st March, 2012 (₹)	Depreciation provided during the year (₹)	Deduct Depreciation adjusted on Assets sold during the year (₹)	Total Depreciation to 31st March, 2013 (₹)	Net Value of Assets to 31st March, 2013 (₹)	31st March, 2012	
(₹)	(₹)													
( I ) TANGIBLE ASSETS													(₹)	(₹)
Land														
	Free hold	5,06,31,249	9,47,20,026	-	-	14,53,51,275	-	-	-	-	14,53,51,275	5,06,31,249		
	Lease hold	6,00,19,439	-	-	-	6,00,19,439	35,03,513	9,00,735	-	44,04,248	5,56,15,191	5,65,15,927		
	Building	44,44,30,140	5,44,82,873	-	-	49,89,13,013	10,23,78,873	1,54,70,087	-	11,78,48,960	38,10,64,053	3,420,51,267		
	Plant & Machinery	1,65,92,14,477	15,37,58,825	11,68,746	-	1,81,18,04,556	62,39,05,716	10,79,31,189	718,403	73,11,18,502	1,08,06,86,054	1,03,53,08,761		
	Office Equipment	89,55,892	19,94,031	1,51,949	-	1,07,97,974	49,18,054	4,87,455	46,972	53,58,537	54,39,437	40,37,838		
	Furniture & fixtures	47,95,966	19,74,327	-	-	67,70,293	32,10,007	1,38,016	-	33,48,023	34,22,270	15,85,959		
	Motor Vehicle	2,05,80,572	77,73,956	2,732,178	-	2,86,22,350	71,50,052	21,70,935	1,764,967	75,56,020	1,80,66,330	1,34,30,520		
		2,24,86,27,735	31,47,04,038	40,52,873	-	2,55,92,78,900	74,50,66,215	12,70,98,417	25,30,342	86,96,34,290	1,68,96,44,610	1,50,35,61,521		
( II ) INTANGIBLE ASSETS													(₹)	(₹)
	Software Licence	6,94,430	4,01,993	-	-	10,96,423	2,78,182	74,085	-	3,52,267	7,44,156	4,16,248		
		6,94,430	4,01,993	-	-	10,96,423	2,78,182	74,085	-	3,52,267	7,44,156	4,16,248		
	TOTAL ( I + II )	2,24,93,22,165	31,51,06,031	40,52,873	-	2,56,03,75,323	74,53,44,397	12,71,72,502	25,30,342	86,99,86,557	16,90,388,766	1,50,39,77,769		
	Previous Year	2,24,54,57,503	1,18,84,395	80,19,733	-	22,493,22,165	63,17,11,830	12,02,30,970	65,98,404	74,53,44,396	10,91,33,024	16,85,11,691		
(III) CAPITAL WORK IN PROGRESS													(₹)	(₹)



## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

		As At 31.03.2013 (₹)		As At 31.03.2012 (₹)
<b>NON-CURRENT INVESTMENT:- NOTE NO - 12</b>				
Non- Trade Investment				
Investment in Property				
- Land at Banera		90,800		90,800
- Land at Bangalore		26,041		26,041
- Building at Bangalore (Boundary Wall)		14,04,093		14,04,093
<b>UNQUOTED #</b>				
Investment in Equity	Subsidiary Company	1,00,16,812		49,99,600
Investment in Govt. or Trust Securities		50,00,000		50,00,000
<b>QUOTED ##</b>				
Investment in Equity				
- Reliance Industries Ltd.		29,45,36,745	29,45,36,745	
- Ballarpur Industries Ltd.		53,31,101	53,31,101	
- West Coast Paper Mills Ltd.		5,81,444	1,85,29,666	
- BIOCON Ltd.		2,22,19,386	2,22,19,386	34,06,16,898
(Market Value of Quoted Investments are ₹ 24,84,60,158/- (Previous Year ₹ 23,52,36,529/-)				
		33,92,06,422		35,21,37,432
	Face value		As at 31/03/2013	As at 31/03/2012
	per unit	No. of Units	Amount (₹)	No. of Units
			Amount (₹)	Amount (₹)
<b># UNQUOTED</b>				
Investments in Equity Instruments				
Hindusthan Alkalies Ltd.	Subsidiary Company	₹ 10	9,99,930	99,99,300
			4,99,960	49,99,600
<b>Investments in Government Securities or Bonds</b>				
- 6% Rural Electrification Corporation Ltd.	Others	₹ 10,000	500	50,00,000
			500	50,00,000
<b>## QUOTED</b>				
<b>Investments in Equity Instruments</b>				
- Reliance Industries Ltd.	Others	₹ 10	2,80,000	28,00,000
			2,80,000	28,00,000
- Ballarpur Industries Ltd.	Others	₹ 2	1,59,615	3,19,230
			1,59,615	3,19,230
- West Coast Paper Mills Ltd.	Others	₹ 2	10,000	20,000
			2,00,000	4,00,000
- BIOCON Ltd.	Others	₹ 5	50,000	2,50,000
			50,000	2,50,000
<b>Long Term Loans and Advances:- NOTE NO - 13</b>				
(I) Capital Advances				
(i) Secured, considered good				
			8,80,000	53,25,000
(ii) Unsecured, considered good				
			65,43,644	2,86,41,751
(II) Security Deposits				
Unsecured, considered good				
(A) (i) Sales Tax (Under Litigation)				
			14,65,660	14,65,660
(ii) Municipal Corporation (Under Litigation)				
			5,14,250	5,14,250
(B) Others -				
(I) Tender				
			84,46,059	70,23,059
(II) Electricity				
			1,90,74,579	1,88,16,790
(III) Others				
			58,75,507	67,85,847
(III) Income Tax				
			7,94,72,224	3,35,67,257
(IV) Employees				
			5,43,024	3,52,824
(V) Others				
			25,80,305	13,83,452
		12,53,95,252		10,38,75,890

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>Other Non - Current Assets:- NOTE NO - 14</b>		
(I) Long Term Trade Receivables		
(i) Unsecured, considered good (Under Litigation ₹.23,92,462/- (Previous Year ₹ 23,92,462/-))	4,38,85,514	3,24,48,696
(II) Interest accrued but not Due - Unsecured	21,36,202	4,74,025
	<u>4,60,21,716</u>	<u>3,29,22,721</u>
<b>(2) Current Assets</b>		
<b>Inventories :- NOTE NO - 15</b>		
(I) Raw materials - In hand	23,99,85,392	23,55,13,459
- In Transit	8,48,99,072	8,25,46,243
(II) Work-in-Progress	16,21,48,921	17,70,22,547
(III) Finished Goods	43,00,70,674	21,34,57,820
(IV) Stores & Spares and Packing	8,47,50,652	5,59,05,909
(V) Loose Tools	20,20,157	23,23,485
(VI) Scrap	26,75,690	9,64,009
	<u>1,00,65,50,558</u>	<u>76,77,33,472</u>
<b>Trade Receivables:- NOTE NO - 16</b>		
(I) Over six months (Refer Note No.27B(3A))		
(i) Unsecured, considered good	4,79,14,227	16,96,55,192
(II) Others (Refer Note No.27B(3A))		
(i) Secured, considered good	9,40,95,118	4,23,53,646
(ii) Unsecured, considered good	1,62,51,90,426	1,25,54,91,300
	<u>1,76,71,99,771</u>	<u>1,46,75,00,138</u>
<b>Cash and Cash Equivalents:- NOTE NO - 17</b>		
<b>(I) Cash and Cash equivalents</b>		
(I) Cash on Hand	11,60,513	7,77,635
(II) Cheque, draft on hand	-	17,33,550
(III) Balance with Banks		
Current Accounts	1,27,59,854	13,84,52,852
Fixed Deposits (Maturity upto 3 Months)	-	6,99,22,000
	<u>1,39,20,367</u>	<u>21,08,86,037</u>
<b>(II) Other Bank Balances</b>		
Earmarked Balances with Banks - Unclaimed Dividend	4,01,448	4,43,353
Balances with Banks held as Margin money/ Security #	6,93,25,420	4,03,10,097
	<u>8,36,47,235</u>	<u>25,16,39,487</u>
# Includes deposit more than 12 month ₹ 4,33,44,652/- (Previous year ₹ 3,81,82,859/-)		

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>Short- term loans and advances:- NOTE NO - 18</b>		
(I) Loans & Advances to Subsidiary (Un-secured) - Hindusthan Alkalies Ltd.	16,37,071	-
(II) Earnest Money Deposit - Lien Fixed Deposit	17,24,155	1,04,59,282
- Others	1,46,64,479	2,05,96,994
(III) Deposit/ Credit with Government Authorities		
Custom, Excise & Service Tax	5,39,19,642	4,71,62,672
Sales tax	3,88,99,209	2,91,33,143
Others	-	500
(IV) Employees	19,14,973	21,43,043
(V) Others	14,11,93,186	9,63,28,253
	<u>25,39,52,715</u>	<u>20,58,23,887</u>

### Other Current Assets:- NOTE NO - 19

Interest accrued but not Due - Unsecured	27,99,639	56,12,641
	<u>27,99,639</u>	<u>56,12,641</u>

### NOTES - PROFIT & LOSS STATEMENT

#### Revenue from operations:- NOTE NO - 20

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>(A) SALE OF PRODUCTS</b>		
(i) Conductors & Cables	5,86,46,88,521	3,96,13,69,419
(ii) Insulators	1,08,22,74,985	94,20,22,184
(iii) Power Generation Sales	4,18,69,976	4,27,79,223
<b>TOTAL A</b>	<u>6,98,88,33,482</u>	<u>49,461,70,826</u>
<b>(B) OTHER OPERATING REVENUE</b>		
(i) Scrap	1,54,28,166	2,16,35,465
(ii) Export Incentive	1,59,73,356	1,43,21,400
(iii) Sales Tax Subsidy *	2,89,18,974	-
(iv) Excise Duty Benefit #	1,87,51,680	-
<b>TOTAL B</b>	<u>7,90,72,176</u>	<u>3,59,56,865</u>
	7,06,79,05,658	4,98,21,27,691
<b>(C) EXCISE DUTY ON SALES TOTAL C</b>	<u>67,85,93,345</u>	<u>42,49,07,042</u>
<b>TOTAL I (A + B - C)</b>	<u>6,38,93,12,313</u>	<u>4,55,72,20,649</u>

\* Sales Tax Remission has been accounted on the basis of application filed before DICC, Assam. The same will be confirmed by the Commissioner of Taxes, Assam on grant of eligibility certificate under Assam Industries (tax Exemption) Scheme, 2009 by Industries & Commerce, Assam. The remission have been claimed by providing Bank Guarantee of the equivalent amount to the Commissioner of taxes, Assam.

# Excise duty refund has been accounted on the basis of Application for Refund filed from Dec. 12 to Mar.13 before the Assistant Commissioner of Central Excise, Guwahati. The same will be finalised after grant of eligibility certificate for refund by the above authority.

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

Other Income:- NOTE NO - 21	As At 31.03.2013	As At 31.03.2012
(A) INTEREST INCOME	( ₹ )	( ₹ )
From Related Parties - (HEIL & MIER)	-	85,91,568
From FDR's	56,48,761	96,80,488
From Customers	18,92,922	7,23,124
From Investment	2,99,999	10,18,297
From Others	23,32,614	13,21,499
(B) DIVIDEND INCOME	48,70,475	65,19,278
(C) NET GAIN ON SALE OF INVESTMENT	29,72,251	-
(D) OTHER NON- OPERATING INCOME		
Fluctuation in Exchange Rate (Net)	19,88,396	16,54,863
Claims Received (Net)	-	51,442
Profit on Sale of Fixed Assets	2,05,656	15,39,172
Liabilites No Longer Required & Sundry Credit Balance Written Back	3,85,584	5,04,282
<b>TOTAL II</b>	<u>2,05,96,658</u>	<u>3,16,04,013</u>
<b>III. Total Revenue (I +II)</b>	<u>6,40,99,08,971</u>	<u>4,58,88,24,662</u>
<b>IV. EXPENSES</b>		
<b>Cost of Materials Consumed:- NOTE NO - 22</b>		
<b>RAW MATERIAL</b>		
Inventories at the beginning of the year	31,80,59,702	23,09,98,196
Add:- Purchases during the Year	4,62,60,25,174	3,31,80,89,021
	<u>4,94,40,84,876</u>	<u>3,54,90,87,217</u>
Inventories at the end of the year	32,48,84,464	31,80,59,702
<b>TOTAL A</b>	<u>4,61,92,00,412</u>	<u>32,3,10,27,515</u>
<b>PARTICULARS</b>		
	2012-13	2010-12
	( ₹ )	( ₹ )
<b>Change in Inventories of Finished Goods, Work-in-Progress and Scrap:- NOTE NO - 23</b>		
Inventories at the beginning of the year		
Finished Goods	21,34,57,820	19,62,18,933
Work-In-Progress	17,70,22,547	14,35,60,502
Scrap	9,64,009	12,65,669
	<u>39,14,44,376</u>	<u>34,10,45,104</u>
<b>Inventories at the end of the year</b>		
Finished Goods	43,00,70,674	21,34,57,820
Work-In-Progress	16,21,48,921	17,70,22,547
Scrap	26,75,690	9,64,009
	<u>59,48,95,285</u>	<u>39,14,44,376</u>
<b>TOTAL B</b>	<u>(20,34,50,909)</u>	<u>(5,03,99,272)</u>
<b>Employee Benefit Expenses:- NOTE NO - 24</b>		
(I) Salaries, Wages and Bonus etc.	23,08,38,050	16,74,03,003
(II) Contribution to Provident & Other Funds	1,81,81,176	1,53,53,079
(III) Staff & Workmen Welfare	60,57,384	35,62,206
<b>TOTAL C</b>	<u>25,50,76,610</u>	<u>18,63,18,288</u>

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	2012-13 (₹)	2011-12 (₹)
<b>Finance Costs:- NOTE NO - 25</b>		
(1) INTEREST		
On Term Loan	6,32,61,502	8,19,15,897
On Working Capital Borrowings	8,52,57,646	9,27,82,047
On Loan from - Related Party (HEIL)	1,81,56,493	24,38,524
On Exchange difference to the extent considered as an adjustment to borrowing cost	1,50,91,865	48,62,213
On Others	2,52,88,513	86,67,468
Interest on Income Tax	-	2,42,834
	<u>20,70,56,019</u>	<u>19,09,08,983</u>
(2) OTHER BORROWING COST		
Bank Charges	3,14,26,962	2,36,80,508
<b>TOTAL D</b>	<u>23,84,82,981</u>	<u>21,45,89,491</u>

PARTICULARS	2012-13 (₹)	2011-12 (₹)
<b>Depreciation</b>	1,27,172,502	12,02,55,836
<b>Other Expenses:- NOTE NO - 26</b>		
<b>MANUFACTURING EXPENSES</b>		
(i) Stores & Spares	11,06,42,796	11,21,23,208
(ii) Packing & Forwarding Expenses (Net)	25,33,81,227	19,04,56,676
(iii) Power & Fuel	36,62,66,897	39,78,25,127
(iv) Repairs to Building	69,52,883	61,72,650
(v) Repairs to Machinery	2,33,78,557	2,21,36,583
(vi) Jobs on Contract	13,44,48,282	11,16,27,476
(vii) Freight and Transport	11,71,51,031	8,21,42,804
(viii) Increase/(Decrease) in Excise Duty & Cess on Inventories	2,36,25,348	71,65,366
<b>SELLING AND ADMINISTRATION</b>		
(i) Rent	76,69,511	71,00,478
(ii) Insurance	63,46,220	36,72,989
(iii) Rates & Taxes	43,17,597	50,23,728
(iv) Repairs - Others	44,94,328	41,69,841
(v) Directors Meeting Fees	1,95,000	1,55,000
(vi) Payment to Auditors	2,66,723	2,62,130
(vii) Charity & Donation	8,93,000	2,41,000
(viii) Brokeage & Commission	58,59,576	58,17,014
(ix) Provision for Liquidated Damages	29,69,121	36,76,295
(x) Loss on Sale of Fixed Assets	4,37,122	2,95,327
(xi) Loss on Sale of Investment (Net)	-	5,22,217
(xii) Prior Period Items	-	1,14,972
(xiii) Miscellaneous Expenses	7,37,90,026	4,90,40,300
(xiv) Claim Paid ( Net)	7,48,987	-
<b>TOTAL F</b>	<u>1,14,38,34,232</u>	<u>1,00,97,41,181</u>

Accounting Policies and other Notes to Accounts :- NOTE NO - 27

**(A) SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

**2. Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods and services. Sales is net of taxes, rebate, discount, claims and other non recoverables. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

**3. Retirement Benefits**

- (i) Expenses and Liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 - Employee Benefits (Revised 2005) issued by the ICAI.
- (ii) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (iii) Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

**4. Excise Duty**

The excise duty liability in respect of closing inventory of finished goods is provided for and included as part of inventory. The amount of CENVAT credits in respect of materials consumed for sales is deducted from cost of materials consumed. Amount of custom duty paid on raw materials (including in transit) is included in the value thereof.

**5. Research & Development**

Revenue expenditure on Research and Development is charged to the Profit and Loss account in the year in which it is incurred. Capital expenditure is shown as depreciable fixed asset.

**6. Tangible Assets**

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

**7. Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalised.

**8. Depreciation and Amortisation**

Depreciation is provided on straight line method as follows:- (i) On the original cost of fixed assets at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. (ii) On increase in value due to revaluation on the basis of remaining useful life as estimated by the valuer, the corresponding amount is directly transferred to General Reserve from Revaluation Reserve.

**9. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

---

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

---

### 10. Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- (c) Non monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

### 11. Investment

Investments are classified as long term or current based on the Management intention at the time of purchase. Long-term investments are stated at acquisition cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Current investments are carried at lower of cost and quoted/fair value, computed category wise.

### 12. Inventories

Inventories are stated at lower of cost or net realisable value. The cost for the purpose of valuation is computed on the basis of weighted average price in case of Conductors and Cables Division and in case of Insulators Division on the basis of First-in-First out (FIFO). The cost of work-in-progress (other than those lying at third party manufacturing sites which is valued at material cost) and finished goods comprises of raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

### 13. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

### 14. Government Grants

Grants received from the government agencies for the specific fixed assets are shown as deduction from the gross value of the asset concerned and thus recognized over the useful life of the depreciable asset by way of reduced depreciation charge. Revenue grants are recognised as Other Income or deducted in reporting the related expenses where such benefits have been earned by the enterprise and it is certain that ultimate collection will be done.

### 15. Taxes On Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

### 16. Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

### (B) OTHER NOTES TO THE ACCOUNTS

#### (1) SEGMENT ACCOUNTING

Segment information for the year ending 31st March, 2013

Particulars	Conductor & Cable	Insulators	Unallocated	Total
<b>Revenue</b>	(₹)	(₹)	(₹)	(₹)
External Sales/other income (Net of Excise Duty)	5,35,34,71,202 (3,62,99,56,532)	99,54,53,089 (88,82,34,653)	6,09,84,680 (7,06,33,477)	6,40,99,08,971 (4,58,88,24,662)
Inter-segment	- (-)	- (-)	- (-)	- (-)
Total revenue	5,35,34,71,202 (3,62,99,56,532)	99,54,53,089 (88,82,34,653)	6,09,84,680 (7,06,33,477)	6,40,99,08,971 (4,58,88,24,662)
<b>Results</b>				
Segment result	58,13,75,027 (21,97,88,796)	(13,32,37,638) (-15,72,15,709)	19,21,713 (19,75,990)	45,00,59,102 (6,45,49,077)
Interest Income	- (-)	- (-)	1,01,74,296 (2,13,34,976)	1,01,74,296 (2,13,34,976)
Finance cost	12,74,26,844 (8,33,10,072)	8,96,05,038 (10,23,85,792)	2,14,51,099 (2,88,93,627)	23,84,82,981 (21,45,89,491)
Dividend Received	- (-)	-	48,70,475 (65,19,278)	48,70,475 (65,19,278)
Profit/(Loss) on sale of Investments (Net)	- (-)		29,72,251 (-5,22,217)	29,72,251 (-5,22,217)
Profit /(Loss) before taxation and exceptional items	- (-)		- (-)	22,95,93,143 (-12,27,08,377)
Less : Provision for taxation (including deferred tax & Wealth Tax)				28,18,535 (-4,78,24,307)
Net Profit/ (Loss) for the year				22,67,74,608 (-7,48,84,070)
<b>Other Information</b>				
Segment assets	2,89,02,78,855 (2,24,32,82,057)	1,77,81,26,018 (1,81,10,22,535)	75,58,90,225 (80,54,30,536)	5,42,42,95,098 (4,85,97,35,128)
Segment liabilities	1,58,24,79,351 (1,05,41,34,346)	85,59,57,281 (1,01,72,44,380)	17,27,80,266 (20,30,55,853)	2,61,12,16,898 (2,27,44,34,579)
Capital expenditure	16,32,67,735 (8,57,34,776)	6,59,16,522 (3,27,84,138)	-	22,91,84,257 (11,85,18,914)
Depreciation	2,86,68,438 (2,00,62,744)	6,17,45,769 (6,34,09,932)	3,67,58,295 (3,67,83,160)	12,71,72,502 (12,02,55,836)

The Company has no other segment which contributes more than 10 % to the company's total revenue or profits.



## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	Current Year Amount (₹)	Previous Year Amount (₹)
(2) (1) Contingent liabilities (to the extent not provided for)		
(a) Income Tax demand under appeal	12,77,879	11,90,619
(b) Outstanding Bank Guarantees (Net of Margin Money)	2,10,25,82,116	2,05,79,26,114
(c) Guarantees/Securities given on behalf of third parties	1,30,73,096	1,30,73,096
(d) Excise Duty show cause notices/demands under appeal	3,72,29,794	2,38,80,712
(e) Claims against the Company for Sales/Purchase Tax/ MCF & Other under litigation (Paid under protest ₹ 22,10,909/- (Previous Year ₹ 23,62,764/-))	5,09,54,817	5,11,23,818
(f) Surety Bond given to Custom & Excise/JDFT	4,59,00,000	4,65,70,000
(2) Commitments (to the extent not provided for)		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	85,69,676	4,72,69,851
(b) Other Commitments to be executed and not provided for Sales order to be executed against Government and Private Contracts	4,50,57,95,000	5,49,31,07,000
(3) Sundry creditors includes acceptance	51,33,63,731	40,61,43,009
(4) Sundry Debtors amount Recovered against acceptance	4,28,24,440	-

### (3) (A) Trade Payable/ Receivables

Balance confirmation letters has been sent to the respective parties, but no confirmation from the parties received till the signing of balance sheet.

### (B) Micro, Small & Medium Enterprises & Development Act, 2006

The Company has identified Micro, Small & Medium Enterprises wherever confirmation received from them and confirms that ₹ 1,98,16,929/- (Previous year ₹ 58,03,323/-) payable to small scale industrial undertakings and the same are not outstanding for more than 30 days.

### (4) Foreign Currency Exposures

(a) Foreign currency loan includes ₹ 31,73,22,757/- (Previous Year ₹ 27,37,34,508/-) related to Foreign Currency Non Resident Demand Loan (FCNR-DL) which is getting due for renewal in the months of April 2013 and Feb. 2014. The Loan amount is without considering the benefit of forward contract. The benefit of forward contract is ₹ 8,76,574 (Previous year ₹ 3,28,77,000/-) has been shown as Foreign Currency Receivable account under Short-Term Loans & Advances Others. Other amount of Foreign Currency Loan relates to PCFC facility against export order ₹ 77,99,122/- (Previous Year ₹ 1,86,96,535/-)

(b) Foreign currency exposures that are not hedged:-

Particulars	(Amount in ₹)	
	31.03.2013	31.03.2012
Foreign Currency Payables	50,96,41,920	4,57,37,673
Foreign Currency Receivables	11,78,52,472	17,45,141

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

### (5) Employee Benefits

Disclosure as required by Accounting Standard AS-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows:

Net expenses reconisised during the year 2012-13

Particulars	Leave Encashment (Non-Funded) ( ₹ )		Gratuity (Non-Funded) ( ₹ )	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	17,24,137	13,12,793	35,73,563	31,88,350
Interest Cost	7,90,719	8,18,767	48,92,895	46,48,477
Expected return on plan assets	-	-	-	-
Actuarial Losses / (Gains)	(12,20,384)	(16,04,945)	13,96,574	(10,82,975)
Past Service Cost	-	-	-	-
Net benefit expenses	12,94,472	5,26,615	98,63,032	67,53,852

Net assets/(Liability) recognised in Balance Sheet as at 31st March, 2013

Particulars	Leave Encashment (Non-Funded) ( ₹ )		Gratuity (Non-Funded) ( ₹ )	
	2012-13	2011-12	2012-13	2011-12
Present Value of Defined Benefit Obligation as on 31.3.2013	1,07,63,005	98,45,792	6,71,90,693	6,00,24,503
Fair Value of plan assets	-	-	-	-
Funded status - Deficit	-	-	-	-
Unrecognised Past Service Costs	-	-	-	-
Net liabilities recognised in Balance Sheet	(1,07,63,005)	(98,45,792)	(6,71,90,693)	(6,00,24,503)

Change in the obligation over the year ended 31st March, 2013

Particulars	Leave Encashment (Non-Funded) ( ₹ )		Gratuity (Non-Funded) ( ₹ )	
	2012-13	2011-12	2012-13	2011-12
Present Value of Defined Benefit Obligation as on 1st April, 2012	98,45,792	98,96,706	6,00,24,503	5,59,45,438
Interest Cost	7,90,719	8,18,767	48,92,895	46,48,477
Past Service Cost	-	-	-	-
Current Service Cost	17,24,137	13,12,793	35,73,563	31,88,350
Benefits Paid	(3,77,259)	(5,77,529)	(26,96,842)	(26,74,787)
Actuarial (Gain) / loss on obligation	(12,20,384)	(16,04,945)	13,96,574	(10,82,975)
Present Value of Defined Benefit Obligation as on 31st March, 2013	1,07,63,005	98,45,792	6,71,90,693	6,00,24,503
Change in fair value of Plan Assets				

Particulars	Leave Encashment (Non-Funded) ( ₹ )		Gratuity (Non-Funded) ( ₹ )	
	2012-13	2011-12	2012-13	2011-12
Fair Value of plan assets as on 01.04.2012				
Actual return on plan assets	-	-	-	-
Contribution	-	-	-	-
Benefits paid	-	-	-	-
Fair Value of plan assets as on 31.03.2013	-	-	-	-

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

### Major actuarial assumption

Particulars	Segment	Leave Encashment (Non-Funded) ( ₹ )		Gratuity (Non-Funded) ( ₹ )	
		2012-13	2011-12	2012-13	2011-12
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	Conductor & Cable Insulators	8.00 % 8.10 %	8.50 % 8.60 %	8.00 % 8.10 %	8.50 % 8.60 %
Salary increase (Taking into account inflation, seniority, promotion and other relevant factors)	Conductor & Cable Insulators	4.00 % 5.00 %	6.00 % 5.00 %	4.00 % 5.00 %	6.00 % 5.00 %
Expected rate of return on assets		-	-	-	-

### Provident Fund & Employees' State Insurance

The Company makes contribution to statutory Provident Fund & Employees' State Insurance in accordance with Employees' Provident Fund and Miscellaneous Provision Act, 1952 & Employees' State Insurance Act, 1948. This is post employment benefit and is in the nature of defined contribution plan. Contribution made by the Company during the year is ₹ 1,81,81,176/- (Previous Year ₹1,53,53,079/-).

(6) Related party disclosures, as required by AS-18 "Related Party Disclosures" are given below

#### List of related parties

##### Parties which control the company:

Carbo Industrial Holdings Ltd.  
Dhanavidhi Investments Ltd.  
Hindusthan Consultancy & Services Ltd.  
Pradyumna Steels Ltd.  
Promain Ltd.

##### Related parties in broader sense of the term:

Hindusthan Engineering & Industries Ltd. (HEIL)  
Jai Commercial Co.Ltd.,  
Mody Investment & Mfg.Co.Pvt.Ltd.  
Hindusthan Alkalies Ltd. (Subsidiary Company)  
Adarsh Commercial Co.Ltd.  
General Engineering Works  
Mody Institute of Education & Research  
Smt. Nirmla Bhawania (W/o Managing Director)  
Smt Sanchita Mody, Advisor - Corporate Planning

##### Directors / Key Management Personnel:

Shri R.P.Mody, Promoter & acting in concert  
Shri V.A.Mody, Promoter Director  
Shri S.S.Bhuwania, Managing Director

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

The following transactions were carried out with the related parties in the ordinary course of business.  
With parties other than Directors / Key Management personnel

	Current Year Amount (₹)	Previous Year Amount (₹)
Purchases of goods	-	1,23,535
Sale of capital goods	-	6,05,610
Purchases of capital goods	1,28,379	-
Rendering or receiving of services	1,58,78,123	62,93,869
Interest Received	-	85,91,568
Interest Paid	1,81,56,492	24,38,524
Loan Amount - Received	25,59,00,000	46,81,84,577
- Given	-	22,00,00,000
Guarantees and collaterals by the Company	1,30,73,096	1,30,73,096
Guarantees and collaterals for the Company	-	-
Outstanding - Receivable	16,30,071	-
Outstanding - Payable	31,81,69,803	4,50,00,000
Investment in Equity Shares	1,00,16,812	58,63,439
With Directors / Key Management Personnel :		
Remuneration / Sitting Fee	76,50,417	52,40,917
(7) Pre-operative expenditure which has been capitalised and that carried forward under capital work in progress is as under:		
	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
Employee Benefit Expenses	29,28,863	-
Finance costs	-	20,01,873
Other Expenses	4,81,18,734	3,58,95,900
	5,10,47,597	3,78,97,773
Add : Brought forward from Previous year	3,95,97,627	23,21,628
	9,06,45,224	4,02,19,401
Less : Capitalised as part of Plant & Machinery	7,35,00,580	95,000
Buildings	32,56,863	526,774
Others	1,710	-
Carried forward under Capital work in progress	1,38,86,071	3,95,97,627
(8) Tax Expenses		
(A) CURRENT TAX		
Current tax for the Year	4,61,75,000	-
Add:- For earlier years Short/ (Excess) Provision	1,38,535	2,34,693
LESS:- MAT Credit entitlement	4,61,75,000	-
NET CURRENT TAX	1,38,535	2,34,693

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

(B) DEFERRED TAX	Opening As At 01.04.2012 (₹)	Charge/(Credit) During the Year (₹)	Closing As At 31.03.2013 (₹)
Depreciation	25,35,65,000	19,75,000	25,55,40,000
Provision for Gratuity/Leave Encashment	(2,26,69,000)	(26,23,000)	(2,52,92,000)
Others	(3,76,23,000)	33,28,000	(3,42,95,000)
	<u>19,32,73,000</u>	<u>26,80,000</u>	<u>19,59,53,000</u>
<b>(9) Earning Per Share</b>			
Earnings per share (EPS) The numerators and denominators used to calculate Basic and Diluted Earnings per share :			
	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)	
Profit/ (Loss) attributable to the Equity Shareholders (₹)			
Before extraordinary items (A)	22,67,74,608	(7,48,84,070)	
After extra ordinary items	22,67,74,608	(7,48,84,070)	
Basic/weighted average number of equity shares outstanding during the year (B)	14,42,885	14,42,885	
Nominal value of Equity Share (₹)	10	10	
Basic/Diluted EPS (₹)			
On Profit before extra ordinary items	157.17	(51.90)	
On Profit after extra ordinary items	157.17	(51.90)	
<b>(10) Other Disclosures to Profit and Loss Statement:-</b>			
	2012-13 (₹)	2011-12 (₹)	
<b>(1) NET GAIN/(LOSS) ON FOREIGN EXCHANGE</b>			
<b>SUNDRY DEBTORS</b>			
For Export	36,01,240	42,24,363	
<b>SUNDRY CREDITORS</b>			
For Import	(34,65,183)	(25,75,520)	
For FCLR LOAN	18,52,339	-	
For Machinery	-	6,020	
	<u>19,88,396</u>	<u>16,54,863</u>	
<b>(2) PAYMENT TO AUDITORS</b>			
- Audit fees	1,65,000	1,61,000	
- Out of Pocket Expenses	18,723	21,130	
- Tax Audit	25,000	25,000	
- For Certification	58,000	66,000	
	<u>2,66,623</u>	<u>2,73,130</u>	
<b>(3) PRIOR PERIOD ITEMS</b>			
SALES REBATE RELATED TO EARLIER YEARS	-	1,14,972	

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

### (4) (I) RAW MATERIAL

PARTICULARS	CONSUMPTION 31.03.2013	CONSUMPTION 31.03.2012
Aluminium	3,27,37,15,547	1,98,37,11,834
Steel	44,99,88,450	33,00,82,459
PVC Compound	42,01,58,027	43,56,70,243
Copper	17,57,53,072	22,56,33,649
Zinc	95,28,880	57,54,708
Clay/Powder	11,45,88,056	10,99,55,527
Metal Parts	14,67,03,414	11,88,41,107
Others	2,80,45,568	2,13,77,988
<b>TOTAL</b>	<b>4,61,84,81,014</b>	<b>3,23,10,27,515</b>

### (II) FINISHED GOODS

PARTICULARS	SALES VALUE 31.03.2013	CLOSING INVENTORY	OPENING INVENTORY	SALES VALUE 31.03.2012	CLOSING INVENTORY	OPENING INVENTORY
Conductors, Strips	5,80,97,82,377	36,66,52,861	15,27,27,614	3,92,16,62,321	15,27,27,614	14,27,34,818
High Tension Insulators	1,08,22,74,985	6,34,17,813	6,07,30,206	94,20,22,184	60,730,206	5,34,84,115
Electrical Energy	4,18,69,976	-	-	427,79,223	-	-
Miscellaneous	5,49,06,144	26,75,690	9,64,009	3,97,07,098	9,64,009	9,90,308
<b>TOTAL</b>	<b>6,98,88,33,482</b>	<b>43,27,46,364</b>	<b>21,44,21,829</b>	<b>4,94,61,70,826</b>	<b>21,44,21,829</b>	<b>19,72,09,241</b>

### (III) WORK IN PROGRESS

PARTICULARS	WIP (31.03.2013)	WIP (31.03.2012)
Aluminium	1,93,30,095	1,75,73,301
Steel	27,09,651	16,80,429
PVC Compound	32,12,046	33,84,633
Copper	18,31,489	34,64,109
Insulators	13,42,34,201	15,00,85,716
Others	8,31,439	8,34,359
<b>TOTAL</b>	<b>16,21,48,921</b>	<b>17,70,22,547</b>

### (5) AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED

PARTICULARS	2012-13 ( ₹ )	2011-12 ( ₹ )
Brokerage & Commission	-	70,181
EPS Employer Contribution	7,401	75,844
PF Employer Contribution	2,959	4,477
Carriage Inwards	-	3,20,109
Rates & Taxes ( Water Tax)	2,17,360	33,671
Others - Provision for Bonus etc.	1,57,864	24,963
<b>TOTAL</b>	<b>3,85,584</b>	<b>5,29,245</b>

## Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

### (6) VALUE OF IMPORTS CALCULATED ON C.I.F BASIS

PARTICULARS	2012-13 (₹)	2011-12 (₹)
Raw Material	28,87,36,656	21,06,20,136
Components & Spare Parts	1,76,73,938	1,88,19,410
Capital Goods	22,77,488	-

### (7) EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	2012-13 (₹)	2011-12 (₹)
Travelling	40,01,989	25,02,655
Interest	52,32,561	10,59,705
Commission	17,18,850	20,21,297
Freight on Export	63,02,872	86,10,875
Others	31,12,047	13,18,698

### (8) VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH %

IMPORTED	2012-13 (₹)		2011-12 (₹)	
IMPORTED				
Raw Materials	6.75%	31,16,24,742	6.83%	22,05,87,286
Stores and Spare Parts	8.40%	92,94,604	2.86%	32,10,913
INDIGENOUS				
Raw Materials	93.15%	4,30,75,75,670	93.17%	3,01,04,40,229
Stores and Spare Parts	91.60%	10,13,48,192	97.14%	10,89,12,295

### (9) EARNINGS IN FOREIGN EXCHANGE

Exports (F.O.B.)	69,84,61,228	32,02,58,143
Freight & Insurance on Export	4,44,44,174	1,00,50,197

### (10) PROPOSED DIVIDEND

Proposed Dividend	28,85,770	14,42,885
Tax on Dividend	4,68,144	2,34,072
	<u>33,53,914</u>	<u>16,76,957</u>

---

## INDEPENDENT AUDITOR'S REPORT

---

### To the Board of Directors of Hindusthan Vidyut Products Limited

We have audited the accompanying Consolidated financial statements of Hindusthan Vidyut Products Limited ('the Company') and its Subsidiary, which comprise of the consolidated Balance Sheet as at 31st March, 2013 and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statement of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- a. In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b. In the case of consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.



---

## INDEPENDENT AUDITOR'S REPORT (Contd.)

---

### Other Matter

We did not audit the financial statements of the Subsidiary Company Hindusthan Alkalies Limited. The financial statements of the subsidiary company reflect total assets of ₹ 161.75 lacs as at 31st March, 2013, the total revenue of ₹ 9.63 lacs and net cash outflow amounting to ₹ 105.86 lacs for the year ended 31st March, 2013. These financial statements and other financial information have been audited by other auditor whose report has been furnished to us by the Management, and our opinion is based solely on the report of other auditor. Our opinion is not qualified in respect of this matter.

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

Place: New Delhi  
Dated : 27th April, 2013

B.L. CHORARIA  
PARTNER  
Membership No. 22973

## CONSOLIDATED BALANCE SHEET as at 31st March, 2013

	Note No	As At March 31, 2013 (₹)	As At March 31, 2012 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
Share Capital	1	1,44,29,425	-
Reserves & Surplus	2	2,60,27,88,334	-
<b>(2) Minority Interest</b>			
		942	-
<b>(3) Non-Current Liabilities</b>			
Long-Term Borrowings	3	33,63,08,522	-
Deferred Tax Liabilities (Net)	4	19,59,53,000	-
Other Long Term Liabilities	5	5,30,55,405	-
Long Term Provisions	6	6,51,18,091	-
<b>(4) Current Liabilities</b>			
Short-Term Borrowings	7	71,27,36,841	-
Trade Payables	8	94,52,40,245	-
Other Current Liabilities	9	45,51,13,679	-
Short-Term Provisions	10	4,80,72,109	-
<b>Total</b>		<u>5,428,816,593</u>	<u>-</u>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<i>Fixed Assets</i>			
(i) Tangible Assets		1,68,96,44,610	-
(ii) Intangible Assets		7,44,156	-
(iii) Capital Work-in-Progress		11,94,33,345	-
Non-Current Investments	12	32,91,89,610	-
Long Term Loans and Advances	13	12,78,95,252	-
Other Non-Current Assets	14	4,63,82,096	-
<b>(2) Current assets</b>			
Inventories	15	1,00,65,50,558	-
Trade Receivables	16	1,76,71,99,771	-
Cash and Cash Equivalents	17	8,54,60,330	-
Short-Term Loans and Advances	18	25,34,85,726	-
Other Current Assets	19	28,31,139	-
<b>Total</b>		<u>5,42,88,16,593</u>	<u>-</u>

### ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS 27 (A & B)

As per our report of even date

For SINGHI & CO.

Chartered Accountants

B. L. CHORARIA

Partner

M. No. 22973

New Delhi

Date 27th day of April, 2013

R.P. Mody

Director

M.L. Birmiwala  
V.P. Finance & Secy.

S.S. Bhuwania

Managing  
Director

## CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT for the year ended 31st March, 2013

	Note No	2012-2013 (₹)	2011-2012 (₹)
I. Revenue from Operations	20	6,38,93,12,313	-
II. Other Income	21	2,15,59,386	-
<b>III. Total Revenue (I + II)</b>		6,41,08,71,699	-
<b>IV. Expenses:</b>			
Cost of Materials Consumed	22	4,61,92,00,412	-
Changes in Inventories of Finished goods, Work-in-Progress and Scrap	23	(20,34,50,909)	-
Employee Benefit Expense	24	25,50,76,610	-
Finance Costs	25	23,84,82,981	-
Depreciation and Amortization Expense		12,71,72,502	-
Other Expenses	26	1,14,38,90,774	-
<b>Total Expenses</b>		6,18,03,72,370	-
V. Profit/(Loss) before exceptional and extraordinary items and tax (III- IV)		23,04,99,329	-
VI. Exceptional Items		-	-
VII. Profit/ (Loss) before extraordinary items and tax (V-VI)		23,04,99,329	-
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax (VII- VIII)		23,04,99,329	-
X. Tax expense:- ( Refer Note No. 27 B (6))			
Current tax		4,18,547	-
Deferred tax		26,80,000	-
XI. Profit(Loss) for the period after tax (IX-X)		22,74,00,782	-
XII. Minority Interest		44	-
XIII. Profit for the period from continuing operations (XI - XII)		22,74,00,738	-
XIV. Earning per equity share:- (Refer Note No.27B(7))			
(1) Basic		157.60	-
(2) Diluted		157.60	-

### ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS 27 (A & B)

As per our report of even date  
For SINGHI & CO.  
Chartered Accountants

B.L. CHORARIA  
Partner  
M. No. 22973  
New Delhi  
Date 27th day of April, 2013

M.L. Birmiwala  
V.P. Finance & Secy.

R.P. Mody

Director

S.S. Bhuwania

Managing  
Director

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2012-13

	31.03.2013 (₹)	31.03.2012 (₹)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	23,04,99,329	-
Adjustment for:		
Depreciation	12,71,72,502	-
Unrealised Foreign Exchange Loss/(Gain)	3,62,708	-
Finance Cost	23,84,82,981	-
Provision for Liquidated Damages	29,69,121	-
Rates and Taxes (Wealth Tax)	4,02,000	-
Interest Received	(1,11,35,230)	-
Dividend Received	(48,70,475)	-
Loss/(Profit) on Sale of Fixed Assets	2,31,465	-
Loss/(Profit) on Sale of Investment	(2972,251)	-
<b>Operating Profit Before Working Capital Changes</b>	<u>58,11,42,150</u>	-
Add/Less: (Increase)/Decrease in Current Assets		
Trade Receivables	(31,22,16,514)	-
Loans & Advances	(4,30,87,188)	-
Inventories	(23,88,17,086)	-
Add/Less: Increase/(Decrease) in Current Liabilities		
Current Liabilities & Provisions	<u>11,12,99,666</u>	-
<b>Operating Profit After Working Capital Changes</b>	<u>9,83,21,028</u>	-
Direct Tax Paid (net of refund)	4,64,06,500	-
Rates & taxes (Wealth Tax Paid)	3,64,800	-
<b>Net Cash from Operating Activities</b>	<u>5,15,49,728</u>	-
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(24,48,90,407)	-
Sale of Fixed Assets	12,91,066	-
Purchase of Investment	(74,50,17,212)	-
Sale of Investment	76,09,20,473	-
Interest Received	1,22,81,660	-
Dividend Received	48,70,475	-
Long Term Loans & Advances	-	-
<b>Net Cash from Investing Activities</b>	<u>(21,05,43,945)</u>	-
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Proceeds From Short Term Borrowings	27,22,40,843	-
Proceeds From Long Term Borrowings	12,95,00,000	-
Payment of Short term Borrowings	(3,21,73,190)	-
Payment of Long term Borrowings	(14,22,30,056)	-
Finance Cost	(24,33,89,850)	-
Dividend Paid	(17,18,862)	-
<b>Net Cash from Financing Activities</b>	<u>(1,77,71,115)</u>	-
<b>Net Increase/ (Decrease) in cash &amp; cash Equivalent</b>	<u>(17,67,65,332)</u>	-
<b>Cash &amp; cash Equivalent at Beginning of the Year</b>	<u>26,22,25,662</u>	-
<b>Cash &amp; cash Equivalent at End of the Year</b>	<u>8,54,60,330</u>	-

As per our report of even date  
For SINGHI & CO.  
Chartered Accountants  
B. L. CHORARIA  
Partner  
M. No. 22973  
New Delhi  
Date 27th day of April, 2013

M.L. Birniwala  
V.P. Finance & Secy.

R.P. Mody  
S.S. Bhuwania

Director  
Managing  
Director

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013

### I. Equity and Liabilities

(1) Shareholder's Funds	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>Share Capital :- NOTE NO - 1</b>		
<b>(a) AUTHORISED</b>		
25,00,000 Equity Shares of ₹ 10/- each	2,50,00,000	-
<b>(b) ISSUED</b>		
14,43,000 Equity Shares of ₹ 10/- each	1,44,30,000	-
<b>(c) SUBSCRIBED AND FULLY PAID UP</b>		
14,42,885 Equity Shares of ₹ 10/- each	1,44,28,850	-
<b>ADD :- FORFEITED SHARES (AMOUNT ORIGINALLY PAID UP)</b>	575	-
115 Equity Shares of ₹ 10/-each.	<u>1,44,29,425</u>	<u>-</u>
<b>(d) RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING</b>	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
Opening Balance	14,42,885	-
Add:- Addition during the Year	-	-
Less:- Deletion during the Year	-	-
Closing Balance	14,42,885	-
<b>(e) SHAREHOLDERS HOLDING MORE THEN 5%</b>	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>NAME OF SHAREHOLDER</b>	<b>No.of Shares</b>	<b>% of Shareholding</b>
M/s Hindusthan Consultancy & Services Ltd.	708825	49.12%
M/s Carbo Industrial Holdings Ltd.	132820	9.21%
M/s Promain Ltd.	117900	8.17%
	-	-
	-	-

### Reserves and Surplus:- NOTE NO - 2

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>(a) Capital Reserve</b>		
Opening	-	-
Add: On Consolidation of Subsidiary Company	15,52,315	-
Closing Balance	<u>15,52,315</u>	15,52,315
<b>(b) Capital Redemption Reserve</b>	26,43,500	-
<b>(c) Revaluation Reserve</b>	1,30,29,456	-
Less : Transferred to General Reserve	<u>5,65,925</u>	1,24,63,531
<b>(d) General Reserve</b>	2,36,02,48,211	-
Add/(Less):- Transferred from / (To) Profit and Loss A/c	22,16,85,864	-
Transferred from Revaluation Reserve	<u>5,65,925</u>	-
	<u>2,58,25,00,000</u>	<u>2,58,25,00,000</u>

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
e) Profit & Loss Account	12,68,028	
(opening balance of subsidiary company)		
Add:- Profit / (Loss) for the year	22,74,00,738	
Transferred from General Reserve	-	
Less:- Appropriations		
Transferred to General Reserve	22,16,85,864	
Proposed Dividend on Equity	28,85,770	
Tax on Dividend	4,68,144	
	<u>36,28,988</u>	<u>-</u>
	<u>26,027,88,334</u>	<u>-</u>
	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>(3) Non Current Liabilities</b>		
<b>Long Term Borrowings :- NOTE NO - 3</b>		
(I) Term Loan (Secured)		
12.25% Term Loan from a Bank (Rupee Loan)*	1,67,76,500	-
Less:- Current Maturities	1,67,76,500	-
	<u>        -</u>	<u>        -</u>
6.5025% Term Loan from a Bank ** (FCLR)*	26,81,47,661	-
Less:- Current Maturities	2,85,59,500	-
	<u>23,95,88,161</u>	<u>        -</u>
13.75% Term Loan from a Bank**	20,19,20,361	-
Less:- Current Maturities	10,52,00,000	-
	<u>9,67,20,361</u>	<u>        -</u>
(II) Deferred Payment Liabilities (Unsecured)		
Sales Tax Deferment #	76,04,039	-
Less:- Current Maturities	76,04,039	-
	<u>        -</u>	<u>        -</u>
	<u>33,63,08,522</u>	<u>        -</u>

\* 12.25% Term Loans from Canara Bank, New Delhi of ₹ 12,39,00,000/- & ₹ 11,95,92,500/- is repayable in 108 & 96 monthly instalments starting from 01.08.2010 and 01.02.2011 respectively. The loan is secured by first charge on Assets created out of 4 nos. Wind Turbine Generator (WTGs) at Rajasthan and land at WTG site and Term Loan for ₹ 12,95,00,000/- taken for Guwahati Project is repayable in 16 half yearly instalments starting from 01.08.2012. The loan is secured by first charge on Land, Building and Plant and Machinery created out of the loan. During the year, the above mentioned 2 WTGS term loan @ ₹ 8,00,00,000/- for each WTG and ₹ 11,00,00,000/- related to Guwahati Works were converted into Foreign Currency Loan of US (\$) 14,53,884.60 and (\$) 14,53,884.60 and (\$) 19,99,091.32 at a pricing of 6 months LIBOR plus 600 bps (Net 6.5025%) with rollover at every 6 month and reset at fresh pricing.

\*\* 13.75% Term Loans from Canara Bank, New Delhi of ₹ 29,00,00,000/- and ₹ 28,30,00,000/- is repayable in 20 & 24 Quarterly instalments starting from 01.12.2009 and 28.02.2011 respectively. The loan is secured by first charge on fixed Assets financed out of the term loan including existing land of the unit.

# Unsecured loan represent the sales tax deferment scheme and will be matured on 31.03.2014

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>Deferred Tax Liabilities (Net):- NOTE NO - 4</b>		
Deferred tax Liabilities	25,55,40,000	-
Less:- Deferred tax Assets	5,95,87,000	-
	<u>19,59,53,000</u>	<u>        -</u>
<b>Other Long Term Liabilities :- NOTE NO - 5</b>		
Other- From Customers	5,30,55,405	-
	<u>5,30,55,405</u>	<u>        -</u>
<b>Long Term Provisions :- NOTE NO - 6</b>		
(I) Employee Benefits	5,29,85,080	-
(II) (a) Statutory - Local Area Development Tax	96,16,891	-
(b) Others	25,16,120	-
	<u>6,51,18,091</u>	<u>        -</u>

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>(4) Current Liabilities</b>		
<b>Short-term borrowings :- NOTE NO - 7</b>		
(I) Working Capital Facilities - Secured*		
Foreign Currency loan		
FCNR Loan	31,73,22,756	-
(Interest Rate Range 5.00% - 5.50%)		
PCFC Loan	77,99,122	-
(Interest Rate Range 2.40% - 2.75%)		
Rupee loan		
9.75 % Export Packing Credit	84,09,158	-
15.70% Cash Credit	6,19,64,962	-
(II) Loan & Advances - From Related Parties -Unsecured	31,72,40,843	-
- Hindusthan Engineering & Industries Ltd.		
	71,27,36,841	-

\* Working Capital Facilities from a Bank for the Cable & Conductor Division are Secured against hypothecation of stocks, book debts and plant & machinery both present & future at Faridabad, Gwalior and Guwahati Unit and equitable mortgage of land and building at Faridabad and Gwalior Unit.

\* Working capital facilities from State Bank of India, Bhopal Branch for the Insulator division are secured against hypothecation of stocks and book debts and secured collaterally by way of second charge on fixed assets of insulators division against which drawing is ₹ 39,54,95,998/- including drawing against foreign currency Non Resident Demand Loan (FCNR-DL). The FCNR-DL is due for renewal in the month of April 2013 and February 2014.

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>Trade Payables :- NOTE NO - 8</b>		
For Goods & Services - Micro & Small Enterprises (Refer Note No.27B(3B))	1,98,16,929	-
- Others (Refer Note No. 27B(3A))	92,54,23,316	-
	94,52,40,245	-

<b>Other Current Liabilities:- NOTE NO - 9</b>		
(I) Current Maturities of Long term Debt		
12.25% Term Loan from a Bank (Rupee Loan)	1,67,76,500	-
6.5025% Term Loan from a Bank (FCLR)	2,85,59,500	-
13.75% Term Loan from a Bank	10,52,00,000	-
Unsecured Loan (Sales Tax Deferment)	76,04,039	-
(II) Interest accrued but not due on borrowings	25,41,363	-
(III) Unclaimed dividend	4,01,448	-
(IV) Other Payables		
(I) Creditors For Capital Goods	1,79,88,563	-
(II) Advance From Customers	21,10,96,091	-
(III) Statutory		
Income Tax (TDS)	56,77,221	-
Excise Tax	4,80,29,774	-
Sales Tax	9,54,674	-
Others	37,36,428	-
(IV) Other Deposits : Trade/Service deposits	65,48,078	-
	45,51,13,679	-
<b>Short Term Provisions:- NOTE NO - 10</b>		
(I) Employee Benefits	3,85,34,432	-
(II) Others		
Liquidated Damages	51,23,610	-
Proposed Dividend	28,85,770	-
Tax on Dividend	4,68,144	-
Others	10,60,153	-
	4,80,72,109	-

Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

II. ASSETS	Fixed Assets:- NOTE NO - 11									
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Non-current assets	Cost/value as per last Balance Sheet as at 31st march, 2012	Additions during the year	Deduct Cost/ Value of Assets sold during the year	Other Adjustment during the year	Total Cost/Value to 31st March, 2013	Depreciation to 31st March, 2012	Depreciation Provided during the year	Deduct Depreciation adjusted on Assets sold during the year	Total Depreciation to 31st March, 2013	Net Value of Assets 31st March, 2013
Description	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>( I ) TANGIBLE ASSETS</b>										
Land										
Free hold	5,06,31,249	94,720,026	-	-	14,53,51,275	-	-	-	-	14,53,51,275
Lease hold	6,00,19,439	-	-	-	6,00,19,439	35,03,513	9,00,735	-	44,04,248	5,56,15,191
Building	44,44,30,141	5,44,82,873	-	-	49,89,13,014	10,23,78,873	1,54,70,087	-	11,78,48,960	38,10,64,054
Plant & Machinery	1,65,92,14,476	15,37,58,825	1,168,746	-	1,81,18,04,556	62,39,05,716	10,79,31,189	718,403	73,11,18,502	1,08,06,86,053
Office Equipment	89,55,892	19,94,031	1,51,949	-	1,07,97,974	49,18,054	4,87,455	46,972	53,58,537	54,39,437
Furniture & fixtures	47,95,966	19,74,327	-	-	67,70,293	32,10,007	1,38,016	-	33,48,023	34,22,270
Motor Vehicle	2,05,80,572	77,73,956	2,732,178	-	2,56,22,350	71,50,052	21,70,935	1,764,967	75,56,020	1,80,66,330
	<u>2,24,86,27,735</u>	<u>31,47,04,038</u>	<u>40,52,873</u>	-	<u>2,55,92,78,900</u>	<u>74,50,66,215</u>	<u>12,70,98,417</u>	<u>25,30,342</u>	<u>86,96,34,290</u>	<u>1,68,96,44,610</u>
<b>( II ) INTANGIBLE ASSETS</b>										
Software Licence	6,94,430	4,01,993	-	-	10,96,423	2,78,182	74,085	-	3,52,267	7,44,156
	<u>6,94,430</u>	<u>4,01,993</u>	-	-	<u>10,96,423</u>	<u>2,78,182</u>	<u>74,085</u>	-	<u>3,52,267</u>	<u>7,44,156</u>
TOTAL ( I + II )	<u>2,24,93,22,165</u>	<u>31,51,06,031</u>	<u>40,52,873</u>	-	<u>2,56,03,75,323</u>	<u>74,53,44,397</u>	<u>12,71,72,502</u>	<u>25,30,342</u>	<u>86,99,86,557</u>	<u>16,90,388,766</u>
Previous Year	-	-	-	-	-	-	-	-	-	11,94,33,345
<b>(III) CAPITAL WORK IN PROGRESS</b>										



## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	As At 31.03.2013 (₹)		As At 31.03.2012 (₹)			
<b>NON-CURRENT INVESTMENT:- NOTE NO - 12</b>						
Non- Trade Investment						
Investment in Property						
- Land at Banera		90,800		-		
- Land at Bangalore		26,041		-		
- Building at Bangalore (Boundary Wall)		14,04,093		-		
<b>UNQUOTED #</b>						
Investment in Govt. or Trust Securities		50,00,000		-		
<b>QUOTED ##</b>						
Investment in Equity						
- Reliance Industries Ltd.	29,45,36,745			-		
- Ballarpur Industries Ltd.	53,31,101			-		
- West Coast Paper Mills Ltd.	5,81,444			-		
- BIOCON Ltd.	2,22,19,386	32,26,68,676		-		
(Market Value of Quoted Investments are ₹ 24,84,60,158/-)						
		32,91,89,610		-		
	Face value per unit	As at 31/03/2013 Numbers	(₹)	As at 31/03/2012 Numbers (₹)		
<b># UNQUOTED</b>						
<b>Investments in Government Securities or Bonds</b>						
- 6% Rural Electrification Corporation Ltd.	Others	₹ 10,000	500	50,00,000	-	-
<b>## QUOTED</b>						
<b>Investments in Equity Instruments</b>						
- Reliance Industries Ltd.	Others	₹ 10	2,80,000	28,00,000	-	-
- Ballarpur Industries Ltd.	Others	₹ 2	1,59,615	3,19,230	-	-
- West Coast Paper Mills Ltd.	Others	₹ 2	10,000	20,000	-	-
- BIOCON Ltd.	Others	₹ 5	50,000	2,50,000	-	-
<b>Long Term Loans and Advances:- NOTE NO - 13</b>						
		As At 31.03.2013		As At 31.03.2012		
		(₹)		(₹)		
(I) Capital Advances						
(i) Secured, considered good			8,80,000		-	
(ii) Unsecured, considered good			65,43,644		-	
(II) Security Deposits						
Unsecured, considered good						
(A) (i) Sales Tax (Under Litigation)			14,65,660		-	
(ii) Municipal Corporation (Under Litigation)			5,14,250		-	
(B) Others -						
(I) Tender			1,09,46,059		-	
(II) Electricity			1,90,74,579		-	
(III) Others			58,75,507		-	
(III) Income Tax			7,94,72,224		-	
(IV) Employees			5,43,024		-	
(V) Others			25,80,305		-	
			12,78,95,252		-	

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>Other Non - Current Assets:- NOTE NO - 14</b>		
(I) Long Term Trade Receivables		
(i) Unsecured, considered good (Under Litigation ₹.23,92,462/-)	4,38,85,514	-
(II) Interest accrued but not Due - Unsecured	21,36,202	-
(III) Preliminary Expenditure (to the extent not written off)	3,60,380	-
	<u>4,63,82,096</u>	<u>-</u>
<b>(2) Current Assets</b>		
<b>Current Investment (Non-Trade) :- NOTE NO - 15</b>		
<b>QUOTED #</b>		
(I) Raw materials - In hand	23,99,85,392	-
- In Transit	8,48,99,072	-
(II) Work-in-Progress	16,21,48,921	-
(III) Finished Goods	43,00,70,674	-
(IV) Stores & Spares and Packing	8,47,50,652	-
(V) Loose Tools	20,20,157	-
(VI) Scrap	26,75,690	-
	<u>1,00,65,50,558</u>	<u>-</u>
<b>Trade Receivables:- NOTE NO - 16</b>		
(I) Over six months (Refer Note No.27B(3A))		
(i) Unsecured, considered good	4,79,14,227	-
(II) Others (Refer Note No.27B(3A))		
(i) Secured, considered good	9,40,95,118	-
(ii) Unsecured, considered good	1,62,51,90,426	-
	<u>1,76,71,99,771</u>	<u>-</u>
<b>Cash and Cash Equivalents:- NOTE NO - 17</b>		
<b>(I) Cash and Cash equivalents</b>		
(I) Cash on Hand	11,60,665	-
(II) Cheque, draft on hand	-	-
(III) Balance with Banks		
Current Accounts	1,27,72,797	-
Fixed Deposits (Maturity upto 3 Months)	-	-
	<u>1,39,33,462</u>	<u>-</u>
<b>(II) Other Bank Balances</b>		
Earmarked Balances with Banks - Unclaimed Dividend	4,01,448	-
Balances with Banks held as Margin money/Security #	6,16,36,614	-
Other Fixed Deposit with Banks #	94,88,806	-
	<u>8,54,60,330</u>	<u>-</u>

#Includes deposit more than 12 month ₹ 4,51,20,083/-

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>Short- term loans and advances:- NOTE NO - 18</b>		
(I) Earnest Money Deposit - Lien Fixed Deposit	17,24,155	-
- Others	1,46,64,479	-
(II) Deposit/ Credit with Government Authorities		
Custom, Excise & Service Tax	5,39,19,642	-
Sales tax	3,88,99,209	-
Income tax	11,70,082	-
(III) Employees	19,14,973	-
(IV) Others	14,11,93,186	-
	<u>25,34,85,726</u>	<u>-</u>
<b>Other Current Assets:- NOTE NO - 19</b>		
Interest accrued but not Due - Unsecured	28,31,139	-
	<u>28,31,139</u>	<u>-</u>
<b>NOTES - PROFIT &amp; LOSS STATEMENT</b>	As At 31.03.2013	As At 31.03.2012
<b>Revenue from operations:- NOTE NO - 20</b>	(₹)	(₹)
(A) SALE OF PRODUCTS		
(i) Conductors & Cables	5,86,46,88,521	-
(ii) Insulators	1,08,22,74,985	-
(iii) Power Generation Sales	4,18,69,976	-
<b>TOTAL A</b>	<u>6,98,88,33,482</u>	<u>-</u>
(B) OTHER OPERATING REVENUE		
(i) Scrap	1,54,28,166	-
(ii) Export Incentive	1,59,73,356	-
(iii) Sales Tax Subsidy *	2,89,18,974	-
(iv) Excise Duty Benefit #	1,87,51,680	-
<b>TOTAL B</b>	<u>7,90,72,176</u>	<u>-</u>
	7,06,79,05,658	-
(C) EXCISE DUTY ON SALES <b>TOTAL C</b>	67,85,93,345	-
<b>TOTAL ₹ (A + B - C)</b>	<u>6,38,93,12,313</u>	<u>-</u>

\* Sales Tax Remission has been accounted on the basis of application filed before DICCC, Assam. The same will be confirmed by the Commissioner of Taxes, Assam on grant of eligibility certificate under Assam Industries (tax Exemption) Scheme, 2009 by Industries & Commerce, Assam. The remission has been claimed by providing Bank Guarantee of the equivalent amount to the Commissioner of taxes, Assam.

# Excise duty refund has been accounted on the basis of Application for Refund filed from Dec.12 to Mar.13 before the Assistant Commissioner of Central Excise, Guwahati. The same will be finalised after grant of eligibility certificate for refund by the above authority.

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

### Other Income:- NOTE NO - 21

	2012-13 ( ₹ )	2010-12 ( ₹ )
(A) INTEREST INCOME		
From Fixed Deposit Receipts	66,09,695	-
From Customers	18,92,922	-
From Investment	2,99,999	-
From Others	23,32,614	-
(B) DIVIDEND INCOME	48,70,475	-
(C) NET GAIN ON SALE OF INVESTMENT	29,72,251	-
(D) OTHER NON- OPERATING INCOME		
Fluctuation in Exchange Rate (Net)	19,88,396	-
Profit on Sale of Fixed Assets	2,05,656	-
Liabilites No Longer Required & Sundry Credit Balance Written Back	3,87,378	-
<b>TOTAL II</b>	<u>2,15,59,386</u>	<u>-</u>
<b>III. Total Revenue (I +II)</b>	<u>6,41,08,71,699</u>	<u>-</u>

### IV. EXPENSES

#### Cost of Materials Consumed:- NOTE NO - 22

##### RAW MATERIAL

Inventories at the beginning of the year	31,80,59,702	-
Add:- Purchases during the Year	4,62,60,25,174	-
	4,94,40,84,876	-
Inventories at the end of the year	32,48,84,464	-
<b>TOTAL A</b>	<u>4,61,92,00,412</u>	<u>-</u>

##### PARTICULARS

#### Change in Inventories of Finished Goods, Work-in-Progress and Scrap:- NOTE NO - 23

	2012-13 ( ₹ )	2010-12 ( ₹ )
Inventories at the beginning of the year		
Finished Goods	21,34,57,820	-
Work-In-Progress	17,70,22,547	-
Scrap	9,64,009	-
	<u>39,14,44,376</u>	<u>-</u>
<b>Inventories at the end of the year</b>		
Finished Goods	43,00,70,674	-
Work-In-Progress	16,21,48,921	-
Scrap	26,75,690	-
	<u>59,48,95,285</u>	<u>-</u>
<b>TOTAL B</b>	<u>(20,34,50,909)</u>	<u>-</u>

#### Employee Benefit Expenses:- NOTE NO - 24

	2011-13 ( ₹ )	2010-12 ( ₹ )
(I) Salaries, Wages and Bonus etc.	23,08,38,050	-
(II) Contribution to Provident & Other Funds	1,81,81,176	-
(III) Staff & Workmen Welfare	60,57,384	-
<b>TOTAL C</b>	<u>25,50,76,610</u>	<u>-</u>

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	2012-13 (₹)	2011-12 (₹)
<b>Finance Costs:- NOTE NO - 25</b>		
(1) INTEREST		
On Term Loan	6,32,61,502	-
On Working Capital Borrowings	8,52,57,646	-
On Loan from - Related Party (HEIL)	1,81,56,493	-
On Exchange difference to the extent considered as an adjustment to borrowing cost	1,50,91,865	-
On Others	2,52,88,513	-
Interest on Income Tax	-	-
	20,70,56,019	-
(2) OTHER BORROWING COST		
Bank Charges	3,14,26,962	-
<b>TOTAL D</b>	23,84,82,981	-

PARTICULARS	2012-13 (₹)	2011-12 (₹)
<b>Depreciation</b>	1,27,172,502	-
<b>Other Expenses:- NOTE NO - 26</b>		
<b>MANUFACTURING EXPENSES</b>		
(i) Stores & Spares	11,06,42,796	-
(ii) Packing & Forwarding Expenses (Net)	25,33,81,227	-
(iii) Power & Fuel	36,62,66,897	-
(iv) Repairs to Building	69,52,883	-
(v) Repairs to Machinery	2,33,78,557	-
(vi) Jobs on Contract	13,44,48,282	-
(vii) Freight and Transport	11,71,51,031	-
(viii) Increase/(Decrease) in Excise Duty & Cess on Inventories	2,36,25,348	-
<b>SELLING AND ADMINISTRATION</b>		
(i) Rent	76,69,511	-
(ii) Insurance	63,46,220	-
(iii) Rates & Taxes	43,23,851	-
(iv) Repairs - Others	44,94,328	-
(v) Directors Meeting Fees	2,10,000	-
(vi) Payment to Auditors	2,69,723	-
(vii) Charity & Donation	8,93,000	-
(viii) Brokeage & Commission	58,59,576	-
(ix) Provision for Liquidated Damages	29,69,121	-
(x) Loss on Sale of Fixed Assets	4,37,122	-
(xi) Miscellaneous Expenses	7,38,22,314	-
(xii) Claim Paid ( Net)	7,48,987	-
<b>TOTAL F</b>	1,14,38,90,774	-

---

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

---

### ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS:- NOTE NO - 27

#### (A) SIGNIFICANT ACCOUNTING POLICIES

##### 1 Components of Hindusthan Vidyut Products Limited

The Consolidated Financial Statements represent consolidation of accounts of Hindusthan Vidyut Products Limited and its subsidiary as stated below:

Name of the Subsidiary	Country of Incorporation	Share Holding Percent
Hindusthan Alkalies Limited	India	99.99%

##### 2 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

##### 3 Principles of Consolidation:

The Consolidated financial statements relate to the Hindusthan Vidyut Products Limited with its subsidiary. In the preparation of these consolidated financial statements, investment in subsidiary has been accounted for in accordance with the provisions of Accounting Standard - 21 (Consolidated Financial Statements). The financial statement of the subsidiary company has been drawn up to the same reporting period as of Hindusthan Vidyut Products Limited. The Consolidated Financial Statements are prepared on the following basis:

- i. The financial statements of the company and its subsidiary company has been on a line-to-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all the significant intra-group balances and intra-group transactions and also unrealised profits or losses in accordance with Accounting Standard- 21 (Consolidated Financial Statements)
- ii. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements. The financial statements of the subsidiary company is adjusted for the accounting policies followed by the company.
- iii. The difference between the cost to the company of its investment in subsidiaries and its proportionate share in the equity of the investee company at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

##### 4 Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods and services. Sales is net of taxes, rebate, discount, claims and other non recoverables. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

##### 5 Retirement Benefits

- (i) Expenses and Liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 - Employee Benefits (Revised 2005) issued by the ICAI.
- (ii) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- (iii) Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

##### 6 Excise Duty

The excise duty liability in respect of closing inventory of finished goods is provided for and included as part of inventory. The amount of CENVAT credits in respect of materials consumed for sales is deducted from cost of materials consumed. Amount of custom duty paid on raw materials (including in transit) is included in the value thereof.

---

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

---

### 7 Research & Development

Revenue expenditure on Research and Development is charged to the Profit and Loss account in the year in which it is incurred. Capital expenditure is shown as depreciable fixed asset.

### 8 Tangible Assets

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

### 9 Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalised.

### 10 Depreciation and Amortisation

"Depreciation is provided on straight line method as follows:-(i) On the original cost of fixed assets at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.(ii) On increase in value due to revaluation on the basis of remaining useful life as estimated by the valuer, the corresponding amount is directly transferred to General Reserve from Revaluation Reserve."

### 11 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 12 Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- (c) Non monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

### 13 Investment

Investments are classified as long term or current based on the Management intention at the time of purchase. Long-term investments are stated at acquisition cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Current investments are carried at lower of cost and quoted/ fair value, computed category wise.

### 14 Inventories

Inventories are stated at lower of cost or net realisable value. The cost for the purpose of valuation is computed on the basis of weighted average price in case of Conductors and Cables Division and in case of Insulators Division on the basis of First-in-First out (FIFO). The cost of work-in-progress (other than those lying at third party manufacturing sites which is valued at material cost) and finished goods comprises of raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

### 15 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

---

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

---

### **16 Government Grants**

Grants received from the government agencies for the specific fixed assets are shown as deduction from the gross value of the asset concerned and thus recognized over the useful life of the depreciable asset by way of reduced depreciation charge. Revenue grants are recognised as Other Income or deducted in reporting the related expenses where such benefits have been earned by the enterprise and it is certain that ultimate collection will be done.

### **17 Taxes on Income**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

### **18 Provision and Contingent Liabilities**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

- 19** This being the first year of consolidated financial statements, therefore the comparative figures for the previous period are not presented.



## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

### (B) OTHER NOTES TO THE ACCOUNTS

#### (1) SEGMENT ACCOUNTING

Segment information for the year ending 31st March, 2013

Particulars	Conductor & Cable	Insulators	Unallocated	Total
<b>Revenue</b>	(₹)	(₹)	(₹)	(₹)
External Sales/other income (Net of Excise Duty)	5,35,34,71,202	99,54,53,089	6,19,47,408	6,41,08,71,699
Inter-segment	-	-	-	-
Total revenue	5,35,34,71,202	9,954,53,089	6,19,47,408	6,41,08,71,699
<b>Results</b>				
Segment result	58,13,75,027	(13,32,37,638)	18,66,965	45,00,04,354
Interest Income	-	-	1,11,35,230	1,11,35,230
Finance cost	12,74,26,844	8,96,05,038	2,14,51,099	23,84,82,981
Dividend Received	-	-	48,70,475	48,70,475
Profit/(Loss) on sale of Investments (Net)	-	-	29,72,251	29,72,251
Profit /(Loss) before taxation and exceptional items	-	-	-	23,04,99,329
Less : Provision for taxation (including deferred tax)	-	-	-	30,98,547
Profit for the year after Tax	-	-	-	22,74,00,782
Less: Minority Interest	-	-	-	44
Net Profit/ (Loss) for the year	-	-	-	22,74,00,738
<b>Other Information</b>				
Segment assets	2,89,02,78,855	1,77,81,26,018	76,04,11,720	5,42,88,16,593
Segment liabilities	1,58,24,79,351	85,59,57,281	17,38,54,346	2,61,22,90,978
Capital expenditure	16,32,67,735	6,59,16,522	1,09,97,071	24,01,81,328
Depreciation	2,86,68,438	6,17,45,769	3,67,58,295	12,71,72,502

The Company has no other segment which contributes more than 10 % to the company's total revenue or profits. The comparatives for the previous year are not presented, as this is the first year of Consolidation.

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	Current Year Amount ( ₹ )	Previous Year Amount ( ₹ )
(2) (1) Contingent liabilities (to the extent not provided for)		
(a) Income Tax demand under appeal	12,77,879	-
(b) Outstanding Bank Guarantees (Net of Margin Money)	2,10,25,82,116	-
(c) Guarantees/Securities given on behalf of third parties	1,30,73,096	-
(d) Excise Duty show cause notices/demands under appeal	3,72,29,794	-
(e) Claims against the Company for Sales/Purchase Tax/ MCF & Other under litigation	5,09,54,817	-
(Paid under protest Rs. 22,10,909/-)	-	-
(f) Surety Bond given to Custom & Excise/JDFT	4,59,00,000	-
(2) Commitments (to the extent not provided for)		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	85,69,676	-
(b) Other Commitments to be executed and not provided for Sales order to be executed against Government and Private Contracts	4,50,57,95,000	-
(3) Sundry creditors includes acceptance	51,33,63,731	-
(4) Sundry Debtors amount Recovered against acceptance	4,28,24,440	-

### (3) (A) Trade Payable/ Receivables

Balance Confirmation letters has been sent to the respective parties, but no confirmation from the parties received till the signing of the balance sheet.

### (B) Micro, Small & Medium Enterprises & Development Act, 2006

The Company has identified Micro, Small & Medium Enterprises wherever confirmation received from them and confirms that Rs. 1,98,16,929/- payable to small scale industrial undertakings and the same are not outstanding for more than 30 days.

### (4) Related party disclosures, as required by AS-18 "Related Party Disclosures" are given below :

#### List of related parties

#### Parties which control the company :

Carbo Industrial Holdings Ltd.  
Dhanavidhi Investments Ltd.  
Hindusthan Consultancy & Services Ltd.  
Pradyumna Steels Ltd.  
Promain Ltd.

#### Related parties in broader sense of the term :

Hindusthan Engineering & Industries Ltd.  
Jai Commercial Co.Ltd.  
Mody Investment & Mfg.Co.Pvt.Ltd.  
Adarsh Commercial Co.Ltd.  
General Engineering Works

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

Mody Institute of Education & Research  
Smt. Nirmala Bhuvania (W/o Managing Director)  
Smt Sanchita Mody, Advisor - Corporate Planning

### Directors / Key Management Personnel :

Shri R.P.Mody, Promoter & acting in concert  
Shri V.A.Mody, Promoter Director  
Shri S.S.Bhuvania, Managing Director

The following transactions were carried out with the related parties in the ordinary course of business.

With parties other than Directors / Key Management personnel

	Current Year Amount ( ₹ )	Previous Year Amount ( ₹ )
Purchases of capital goods	1,28,379	-
Rendering or receiving of services	1,58,78,123	-
Interest Paid	1,81,56,492	-
Loan Amount - Received	25,59,00,000	-
Guarantees and collaterals by the Company	1,30,73,096	-
Outstanding - Receivable	16,30,071	-
Outstanding - Payable	31,81,69,803	-
Investment in Equity Shares	1,00,16,812	-
With Directors / Key Management Personnel :		
Remuneration / Sitting Fee	76,50,417	-
(5) Pre-operative expenditure which has been capitalised and that carried forward under capital work in progress is as under:		
	Year Ended 31.03.2013 ( ₹ )	Year Ended 31.03.2012 ( ₹ )
Employee Benefit Expenses	59,62,500	-
Other Expenses	5,50,47,167	-
	<u>6,10,09,667</u>	<u>-</u>
Add : Brought forward from Previous year	3,95,97,627	-
	10,06,07,294	
Less : Capitalised as part of Plant & Machinery	7,35,00,580	-
- Buildings	32,56,863	-
Others	1,710	-
Carried forward under Capital work in progress	<u>2,38,48,141</u>	<u>-</u>
(6) Tax Expenses		
(A) CURRENT TAX		
Current tax for the Year	4,64,55,012	-
Add:- For earlier years Short/ (Excess) Provision	1,38,535	-
LESS:- MAT Credit entitlement	4,61,75,000	-
NET CURRENT TAX	<u>4,18,547</u>	<u>-</u>

## Consolidated Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

(B) DEFERRED TAX	Opening As At 01.04.2012	Charge/(Credit) During the Year	Closing As At 31.03.2013
	( ₹ )	( ₹ )	( ₹ )
Depreciation	25,35,65,000	19,75,000	25,55,40,000
Provision for Gratuity/Leave Encashment	(2,26,69,000)	(26,23,000)	(2,52,92,000)
Others	(3,76,23,000)	33,28,000	(3,42,95,000)
	<u>19,32,73,000</u>	<u>26,80,000</u>	<u>19,59,53,000</u>
<b>(7) Earning Per Share</b>			
Earnings per share (EPS) The numerators and denominators used to calculate Basic and Diluted Earnings per share :			
	Year Ended 31.03.2013	Year Ended 31.03.2012	
	( ₹ )	( ₹ )	
Profit/ (Loss) attributable to the Equity Shareholders			
Before extraordinary items (A)	22,74,00,738	-	-
After extra ordinary items	22,74,00,738	-	-
Basic/weighted average number of equity shares			
outstanding during the year (B)	14,42,885	-	-
Nominal value of Equity Share (₹)	10	-	-
Basic/Diluted EPS (₹)			
On Profit before extra ordinary items	157.60	-	-
On Profit after extra ordinary items	157.60	-	-
<b>(8) Other Disclosures to Profit and Loss Statement:-</b>			
	2012-13	2011-12	
	( ₹ )	( ₹ )	
<b>(1) PAYMENT TO AUDITORS</b>			
- Audit fees	1,68,000	-	-
- Out of Pocket Expenses	18,723	-	-
- Tax Audit	25,000	-	-
- For Certification	58,000	-	-
	<u>2,69,723</u>	<u>-</u>	<u>-</u>
<b>(2) PROPOSED DIVIDEND</b>			
Proposed Dividend	28,85,770	-	-
Tax on Dividend	4,68,144	-	-
	<u>33,53,914</u>	<u>-</u>	<u>-</u>

### Financial Information of Subsidiary Companies

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8 February, 2011 and 21 February, 2011 respectively has granted a general exemption from the compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to exemption.

Necessary information relating to the subsidiary is given below:

Name of the Subsidiary Company	Capital	Reserves & Surplus	Total Assets	Total Liabilities	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1. Hindusthan Alkalies Limited	1,00,00,000	34,64,227	1,61,75,378	1,61,75,378	-	9,06,186	2,80,012	6,26,174	-

---

## NOTICE

---

**NOTICE** is hereby given that the Fifty-Third Annual General Meeting of the Shareholders of HINDUSTHAN VIDYUT PRODUCTS LIMITED will be held on Friday, the 30th August, 2013 at 9.15 A.M. at the Registered Office of the Company at Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi - 110001 to transact the following business:

### Ordinary Business:

1. To consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2013, the Balance Sheet of the Company as at 31st March, 2013 and the Reports of the Board of Directors and Auditors.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri R.P. Mody, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Subhash Madan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution as an Ordinary:  
"RESOLVED that pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s K. M. Agarwal & Co., Chartered Accountants, 36, Netaji Subhash Marg, Darya Ganj, New Delhi - 110002, be and they are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the above period."

### Special Business:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Rajratan & Co., Chartered Accountants (FRN No. 307101E), be and are hereby appointed as Branch Auditors of the Company to hold office as such from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting to audit the accounts in respect of Guwahati Branch of the company for the Financial Year 2013-2014, at such remuneration, as may be decided by the Board of the Company".
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED that in accordance with the provisions of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956, and other applicable provisions, if any, and in supersession of the resolution passed in the Annual General Meeting held on 17th July 2010, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage, create security in such manner, in such form and upon such assets of the Company, both present and future and/or subject to such conditions as the Board of Directors deem fit for the purpose of securing of the borrowing or financial assistance not exceeding Rs.1000.00 crores (Rupees One Thousand crores) by way of External Commercial Borrowing/Term Loans/Equipment Finance/Deferred Credit Guarantee/ Debentures/Working Capital limits (Fund and Non Fund Based limits) such as Overdrafts/Cash Credit, Letters of Credit, Bank Guarantees or any other form together with interest at the agreed rates, further interest, liquidated damages, commitment charges, premia on payment, and repayment or redemption, costs, charges and other monies payable by the company in respect of the said borrowing in favour of banks, financial institutions and other lenders.  
"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to finalise the documents for creating mortgage and/or security and such other Agreements as aforesaid and to vary or modify the existing securities from time to time and to do all such acts, deeds, matters and things as may be necessary or expedient for giving effect to this resolution".
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED that pursuant to Section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, and in supersession of the resolution passed in Annual General Meeting held on 17th July 2010, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing moneys from time to time as may be requisite or proper for the purpose of the business of the Company by way of loans, advances, debentures, deposit, External Commercial Borrowing / Term Loans / Equipment Finance / deferred Credit Guarantee / Working Capital limits (Fund and Non Fund Based limits) such as Overdrafts/Cash Credit, Letters of Credit, Bank Guarantees or any other form together with interest at the agreed rates, further interest, liquidated damages, commitment charges, premia on payment, and repayment or redemption, costs, charges and other monies payable by the company in respect of the said borrowing in favour of banks, financial institutions and other lenders, whether the same be secured or unsecured on such terms and conditions as the Board may consider fit and moneys so borrowed together with the moneys already borrowed (apart from temporary loans, if any, obtained from the Company's bankers in the ordinary course of the business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose

---

## NOTICE (Contd.)

---

provided that the total amount which may be so borrowed and outstanding at one time shall not exceed Rs.1000.00 crores (Rupees One Thousand crores)".

### Registered Office:

'Kanchenjunga' (7th Floor)  
18, Barakhamba Road  
New Delhi – 110 001  
Dated : 27th day of April, 2013

By Order of the Board

M.L. Birmiwala  
*Vice President - Finance & Secretary*

### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
2. Members who hold shares in dematerialised form are requested to bring their Client ID and DPID numbers for easy identification for attendance at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24th August, 2013 to 30th August, 2013 both days inclusive for the purpose of dividends. The dividends when declared will be paid to the registered shareholders as on 30th August, 2013.
4. Members intending to require information about accounts to be explained at the meeting are requested to write to the company at least 10 days in advance of the Annual General Meeting.
5. In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company has from time to time transferred unclaimed/unpaid dividends relating to the years upto 31st March, 1999 to the General Revenue Account of the Central Government. Members who have a valid claim to any of the unclaimed/unpaid dividends as aforesaid may claim the same from the Registrar of Companies, NCT of Delhi & Haryana, in the prescribed manner.  
The unpaid/unclaimed dividend for the year 2004-2005 has been transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 C of the Companies Act, 1956.  
Shareholders are also advised that dividend for the year 2005-2006 remaining unclaimed is due for transfer to the Investor Education and Protection Fund on or before 23rd August, 2013 and shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2006 or any subsequent financial years are requested to make their claim to the Company. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim, whatsoever, shall lie in respect thereof.
6. Any correspondence relating to Shares may kindly be addressed to the Registrar and Transfer Agent namely, M/s. Skyline Financial Services Pvt. Ltd., D-153-A, Okhla Industrial Area, Phase-I, New Delhi - 110020.

## EXPLANATORY STATEMENT PURSUANCE TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No.6

The members in the Annual General Meeting held on 01.09.2012, appointed M/s. Rajratan & Co., Chartered Accountants, as Branch Auditors until the conclusion of this Annual General Meeting.

It is proposed to reappoint them as Branch Auditors for Guwahati Branch. M/s. Rajratan & Co., Chartered Accountants have confirmed their willingness to act as the Branch Auditors, if appointed.

The Board of Directors recommends the resolution for your approval.

None of the directors is concerned or interested in this resolution.

### Item No.7

The company, in order to meet the requirement of long terms funds, may avail financial assistance from time to time by way of loan/ Equipment Finance/Deferred Credit Guarantee/debenture, Cash Credits, non fund based facilities etc. from Financial Institutions and bank(s) for various equipments and/or Plant & Machineries acquired/to be acquired and Working Capital for its Units. The financial assistance has to be secured by a mortgage of such of the immovable and movable assets of the Company, both present and future as may be decided in consultation with the participating institutions/bank(s). As per the provisions of Section 293(1)(a) of the Companies

---

## NOTICE (Contd.)

---

Act,1956, the Board of Directors of a Public Company can not without the consent of the shareholders, sell lease, transfer, exchange, assign or otherwise dispose of the whole or substantially the whole, of the undertaking(s) of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking(s). Since the mortgage(s) and/or charge to be created as in the resolution may be regarded as disposal of the Company's undertaking, it is considered expedient that the proposed creation of mortgage(s) or charge(s) be approved by the members of the Company in the General Meeting. Your Directors recommend this resolution for your approval.

None of the Directors of the Company is interested in this resolution.

### Item No.8

Pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956 and other applicable provisions of the Act, if any, the consent of the Company Shareholders is required for borrowing by the Board of Directors in excess of the paid up capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose.

The Company in its AGM held on 17.07.2010 has accorded consent to the Board of Directors for borrowing upto a maximum Rs.600.00 Crores. In view of the fact that the activities of the Company have increased since then, it is felt that this limit should be suitably increased. It is felt that a maximum borrowing limit of Rs.1000.00 crores will be sufficient for the time being. Hence, the consent of the Company Shareholders as contemplated by section 293(1)(d) of the Companies Act,1956 is being sought for. The resolution set out in Item No.7 of the convening notice has to be considered accordingly and the Board recommends the passing of this resolution.

None of the Directors of the Company is interested in this resolution.

### Important Communication

The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29th April, 2011, clarified that as a measure of "Green Initiative in Corporate Governance" it will be in compliance, if the Annual Report(i.e. documents listed in section 219(1) of the Companies Act,1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, Skyline Financial Services Pvt. Ltd. and to the company's E-mail I.D: hvplndl@hindusthanvidyut.com and also update the e-mail address as and when there is any change.





# HINDUSTHAN VIDYUT PRODUCTS LIMITED

Regd. Office: Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi - 110 001

## ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall.

DP. Id*	
---------	--

Master Folio No.	
------------------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

I hereby record my presence at the FIFTY THIRD ANNUAL GENERAL MEETING to be held on Friday, the 30th August, 2013 at 9.15 A.M. at Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi -110001.

Full Name of Shareholder/Proxy

Attending at the meeting .....

Full Name of First Holder

(If Joint Holder/Proxy attending) .....

For Signature of the Shareholder if attending the meeting	For Signature of the Proxy if attending the meeting

Note : Shareholders are requested to bring this slip to the meeting duly filled up including Folio Number.

\* Applicable for Investors holding shares in electronic form.

---

# HINDUSTHAN VIDYUT PRODUCTS LIMITED

Regd. Office: Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi - 110 001

## PROXY FORM

DP. Id*	
---------	--

Master Folio No.	
------------------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

I/We ..... of .....  
in the District of .....being a member/members of the above named  
Company, hereby appoint .....of  
..... in the District of .....  
..... or failing  
him of ..... in the District of .....

as my/our proxy to vote for me/us on my/our behalf at the Fifty Third Annual General Meeting of the Company to be held on Friday, 30th August, 2013 at 9.15 A.M. and at any adjournment thereof.

Affix Rs. 1/- Revenue Stamp
--------------------------------------

Signed this ..... day of .....2013

\* Applicable for Investors holding shares in electronic form.

- Notes:** (a) The Form should be signed across the stamp as per specimen signature registered with the Company.  
(b) The Proxy form should be deposited at the Registered Office of the Company forty-eight hours before the time for holding the Meeting.

